



# City of St. Gabriel, Louisiana

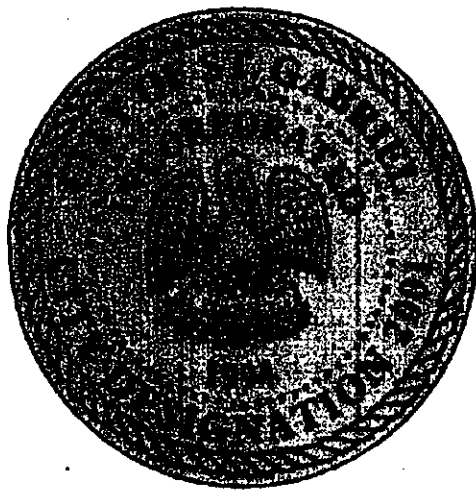
Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk.

Release Date

**FEB 08 2011**

## **Comprehensive Annual Financial Report**

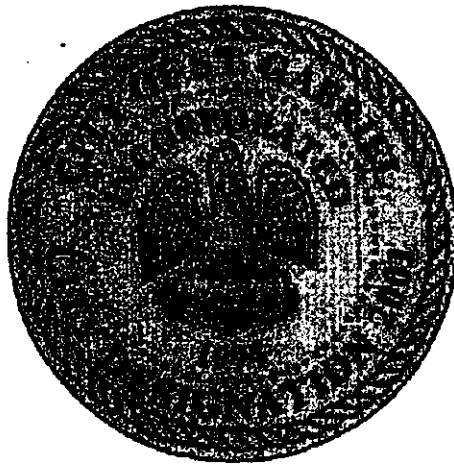
*For the fiscal year ended June 30, 2011*



# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

## **CITY OF ST. GABRIEL, LOUISIANA**

For the fiscal year ended June 30, 2011



Prepared by

City of St. Gabriel  
Finance Department

**CITY OF ST. GABRIEL, LOUISIANA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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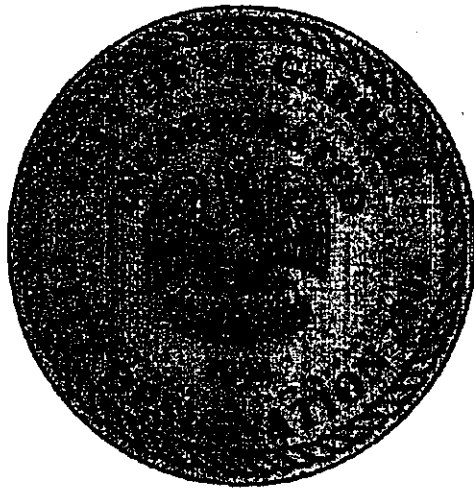
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# City of St. Gabriel, Louisiana

## Introductory Section





# City of St. Gabriel

Lionel Johnson, Jr.

Mayor

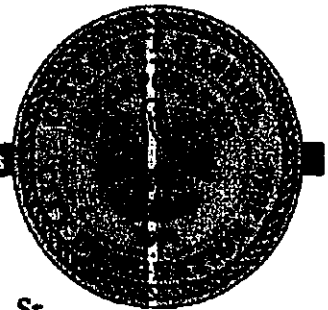
P.O. Box 597 • 5035 Ibarville Street • St. Gabriel, LA 70776 • Tel.: (225) 642-9600 • Fax: (225) 642-0043 • Website: [cityofstgabriel.us](http://cityofstgabriel.us)

*Chief of Police:*

Kevin Ambeau, Sr.

*City Council:*

Deborah Alexander • Flora Danielfield • Melvin Hasten, Sr. • Freddie Frazier • Ralph Johnson, Sr.



December 29, 2011

The Citizens,  
The Mayor,  
and Members of the City Council  
City of St. Gabriel

Dear Citizens, Mayor, and Council Members:

Pursuant to Louisiana State Statutes, I hereby issue the Comprehensive Annual Financial Report (CAFR) for the City of St. Gabriel (the City) for the year ended June 30, 2011. The City Finance Department prepared this report in accordance with Generally Accepted Accounting Principles (GAAP). We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the City as measured by the financial activities of its various funds and the government-wide presentation; and that disclosures necessary to enable readers to gain an understanding of City financial affairs have been included. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with management of the City.

The City financial statements have been audited by Postlethwaite & Netterville, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit that there was a reasonable basis for rendering an unqualified opinion that the City of St. Gabriel's financial statements for the fiscal year ended June 30, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first document of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

The City of St. Gabriel was incorporated as a town in 1994, and received city designation in 2001. It is located in Iberville Parish, on the Mississippi River, with the historic Bayou Manchac serving as the official boundary between St. Gabriel, Ascension Parish, and East Baton Rouge Parish. The City currently occupies a land area of 29 square miles and serves an estimated population of 6,677 according to the U.S. Census as of 2010. The population reflects a growth of more than 20% from the 2000 U.S. Census.

The City follows the provisions of the Lawrason Act as provided by Louisiana Law. The City has seven elected officials comprised of a Mayor, five City Council members and one Chief of Police that are serving four year terms. Policy making and legislative authority are vested in a governing council consisting of five council members. The Council is responsible, among other things, for passing ordinances, adopting the budget and appointing committees. The Mayor is the chief executive officer of the City. The Chief of Police is responsible for administration of the City's law enforcement services. Finally, the City Clerk is appointed by the Mayor and approved by the City Council.

The City provides a full range of services to the public including infrastructure maintenance and construction, public safety, social and recreational services, and general administrative services.

A determination of the financial reporting entity to be included in this CAFR is made through the application of criteria established by the Governmental Accounting Standards Board (GASB), Statement No. 14. A complete explanation of the financial reporting entity is included in the Summary of Significant Accounting Policies in the Notes to the Financial Statements.

An explanation of the accounting policies of the City is contained in the Notes to the Financial Statements. The basis of accounting, fund structure, and other significant information on financial policies are explained in detail in the Notes to the Financial Statements.

## **Budgetary Control**

The annual budget serves as the foundation for the City's financial planning and control. The annual operating budget is proposed by the mayor and enacted by the City Council. The City Council is required to adopt the final budgets no later than June 30<sup>th</sup> of each year. Budgets are adopted at the fund and department level. Budgetary transfers across department lines or between classes of lump sum appropriations require approval of the City Council. Additional details on the budget process are explained in the Notes to the Financial Statements.

Budget-to-actual comparisons are provided in this report for each individual governmental fund in Exhibits B through B-2.

The Finance Department is entrusted with maintaining accounting systems for the City in accordance with the best-recognized practices in governmental accounting. It keeps the records for, and exercises financial and budgetary control over, each City department, office, and agency.

In developing and evaluating the accounting system of the City, the Finance Department considers the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from an unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of control should not exceed benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the City government is responsible for ensuring that adequate internal controls are in effect. All internal control evaluations occur within the framework described. The Finance Department believes that the internal controls for the City adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

### **Cash Management**

Idle cash balances are invested on a daily basis at the best interest rates available within legal constraints imposed by state law and the City's cash and investment policy. The primary objectives of the City investment activities are safety, liquidity, yield and legality. To maximize interest earnings, cash balances of all funds are pooled, except where separate cash and investment accounts are mandated by legal requirements.

### **Risk Management**

The City of St. Gabriel is insured for general liability, automobile, and workers' compensation under basic commercial insurance policies. As part of this plan, the City has small deductible limits with most major events or losses covered by insurance.. In addition, various risk control techniques including a drug free workplace program, employee drug screening, and employee safety programs have been implemented to minimize accident-related losses.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **Economic Condition and Outlook**

St. Gabriel is located in the Baton Rouge metropolitan area. The City of Baton Rouge is the state capital and the closest large Metropolitan Statistical Area (MSA) to New Orleans. Because of the proximity to New Orleans, the Baton Rouge MSA initially absorbed nearly a quarter million south Louisiana residents in the aftermath of Hurricane Katrina in 2005. Since then, traffic counts, sales tax collections, school enrollment and other factors indicate that the region's population is growing.

St. Gabriel is located on the Mississippi River in the southeast region of the state and is a major center for commerce and industry. The largest taxpayers in St. Gabriel are primarily companies involved in the petrochemical and energy sectors. Products range from refined chemicals, household products and plastic materials. The local industry provides the majority of the jobs within the City. The taxes paid by local industry are significant to the City's tax base and local economy. Because of an increase in capital acquisition and proposed construction in the petrochemical industry, the City expects to maintain a stable level of property and sales tax collections through 2012.

General sales and use tax revenues in 2011 for operations of the City were approximately \$20,000 more than the 2010 revenues, representing a less than 1% increase. The general sales and use tax plays a significant role in financing the operations of the General Fund, representing more than 42% of available resources.

During 2011 the City had employed labor of approximately 4,700 with an unemployment rate of 11.9% and a current median household income of \$44,600 and age of 36.

The City provides some source of housing to the Baton Rouge MSA with 1,184 household units with a median value of \$84,400. Other important industries include government, construction, transportation, real estate and retail trade.

### **Major Initiatives in 2012**

The City is in the preliminary stages of planning for various capital outlay projects with an estimated cost of over \$30 million, to include sewer system expansions and improvements, road repairs and improvements, drainage improvements, and the construction of sidewalks. The City anticipates the initial cost of these initiatives to be \$3.2 million, which is budgeted in fiscal year 2012. These projects will be partially funded by grants, with the remaining portion funded by the City's local resources.

## **LONG-TERM FINANCIAL PLANNING**

As stated above, the City has planned capital initiatives in excess of \$30 million. These projects address immediate and anticipated needs of the City and its growing population. These projects range in nature and scope and the City's administration has ranked them to establish the priority for which they will be addressed.

### **Road and Drainage Improvements Projects**

The City has the responsibility to maintain approximately 17 miles of roads and the related drainage. The City administration has identified 13 roadways in need of reconstruction or repair. These projects have an estimated construction cost of over \$17 million. Additionally, the City has identified several roads which would benefit from covered drainage and culverts. These projects have an estimated cost of more than \$7.5 million. Due to the significant amount of resources required to accomplish all of these projects, the City has elected to accomplish in phases. The City anticipates expenditures of approximately \$1.2 million in the coming year related to highway improvements and approximately \$1 million related to the construction of sidewalks. Both the highway improvements and sidewalks projects will be partially funded by the Louisiana Department of Transportation and Development, with the remainder funded by the City's local resources.

### **Sewer Improvements Project**

Due to the increased population, the City's sewer utility systems are in need of expanded capacity. The total estimated cost to expand all sewer systems to their needed capacity is projected to be approximately \$7 million. The City has budgeted for expenditures in 2012 of approximately \$1.03 related to improvements to its Carville Sewer Plant. The improvements will be partially funded through a Community Development Block Grant awarded by the Louisiana Office of Community Development.

## **ACKNOWLEDGMENTS**

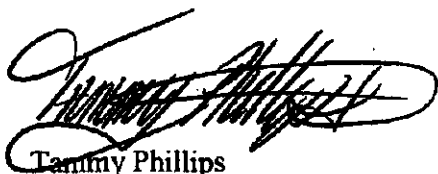
The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Reporting to the City of St. Gabriel for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government accounting principles and applicable legal requirements.

In order to be awarded a Certificate of Achievement for excellence in Financial Reporting by GFOA, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report with contents conforming with standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The award received for 2010 was the first year the award was received or applied for. We believe our current report conforms to the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not have been accomplished without the dedicated services of a highly qualified staff. I also acknowledge the thorough, professional, and timely manner in which the audit was conducted by our independent auditors, Postlethwaite & Netterville, LLC, and our financial and accounting consultants, Faulk & Winkler, LLC. We thank the Mayor and City Council for their support of excellence in financial reporting and fiscal integrity.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Tammy Phillips', is written over a circular stamp or seal.

Tammy Phillips  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of St. Gabriel  
Louisiana

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Sandson*

President

*Jeffrey R. Enos*

Executive Director

**CITY OF ST. GABRIEL  
PRINCIPAL OFFICIALS  
JUNE 30, 2011**

**MAYOR**

Lionel Johnson, Jr.

**COUNCIL MEMBERS**

Deborah R. Alexander

Flora J. Danielfield

Freddie C. Frazier, Sr.

Melvin Hasten, Sr.

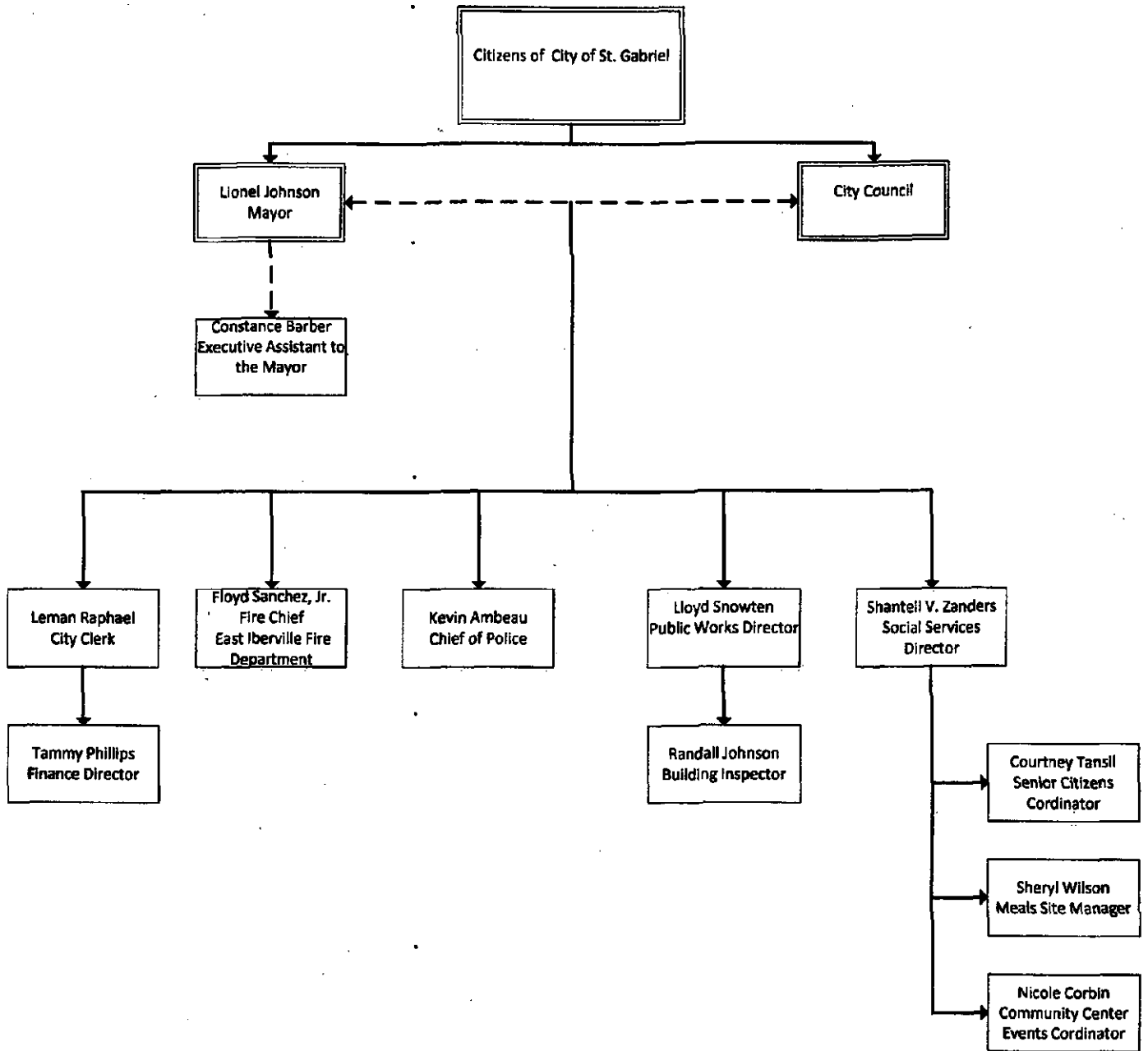
Ralph Johnson, Sr.

**CHIEF OF POLICE**

Kevin Ambeau

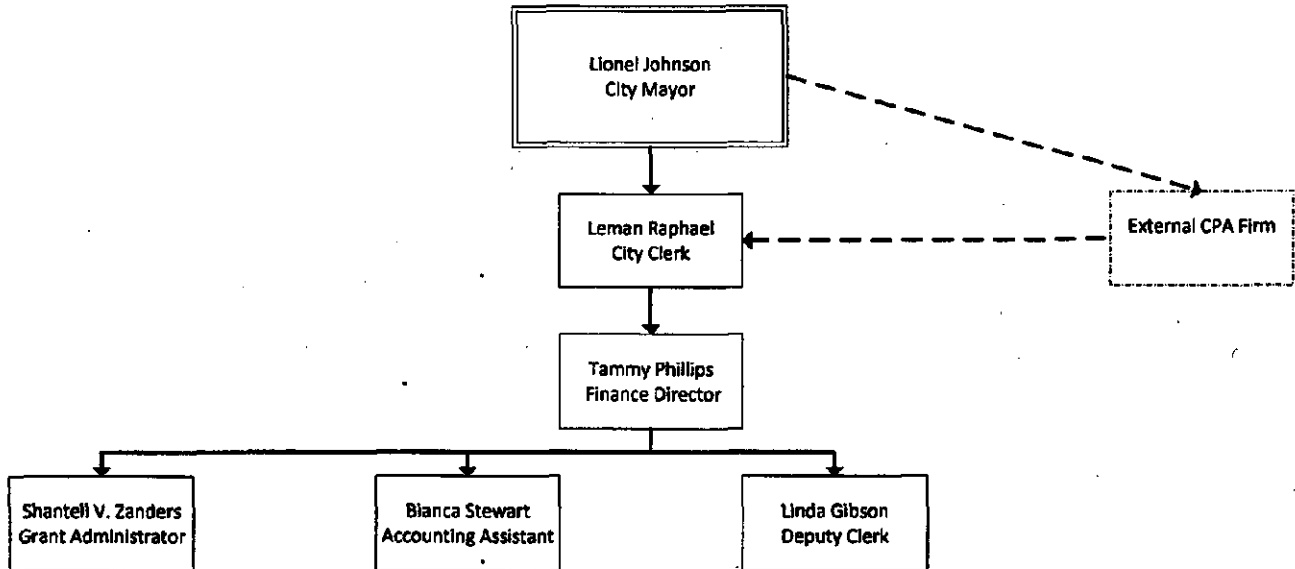


CITY OF ST. GABRIEL  
ORGANIZATIONAL CHART  
PRIMARY GOVERNMENT\*



\*Following election results, the organizational structure of the City changed significantly on July 1, 2011. This chart displays the City's current structure.

**CITY OF ST. GABRIEL  
ORGANIZATIONAL CHART  
CITY CLERK'S OFFICE\***

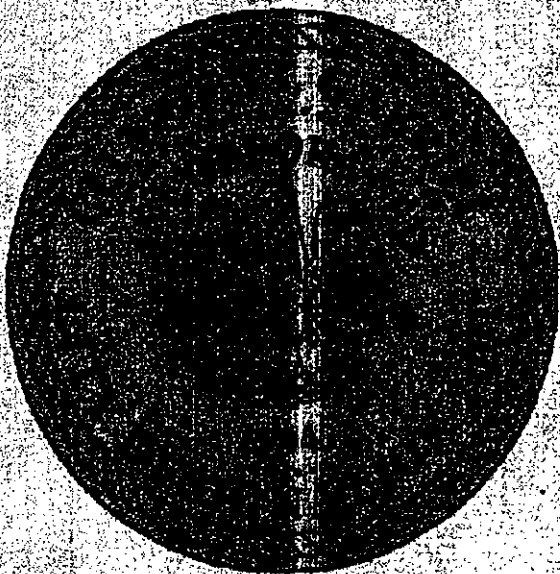


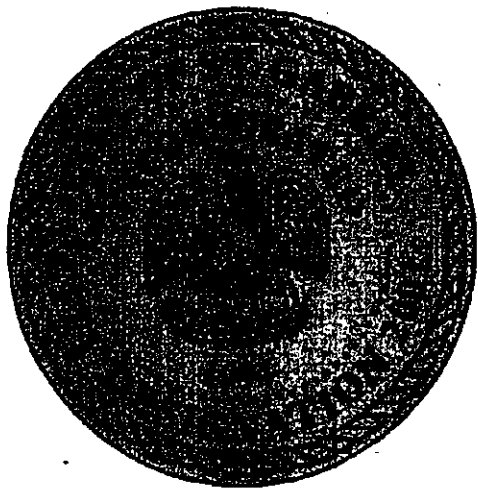
\*Following election results, the organizational structure of the City changed significantly on July 1, 2011. This chart displays the City's current structure.



# City of St. Gabriel, Louisiana

## Financial Section





**INDEPENDENT AUDITORS' REPORT**

To the Honorable Mayor and  
City Council Members  
City of St. Gabriel, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Gabriel (the City), as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of St. Gabriel, Louisiana's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Gabriel, Louisiana, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2012, on our consideration of the City of St. Gabriel, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 14 and 51 through 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considered it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of St. Gabriel, Louisiana's basic financial statements as a whole. The accompanying other supplementary information on pages 58 through 61 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Revenues and Departmental Expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Perlethurst & Nettall*

January 27, 2012

## **CITY OF ST. GABRIEL, LOUISIANA MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our analysis of The City of St. Gabriel's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2011. Please read it in conjunction with the City's financial statements which begin on page 15. The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts.

### **FINANCIAL HIGHLIGHTS**

In 2011, the City of St. Gabriel had governmental revenues decrease relative to prior years, with governmental expenditures increasing. All City funds continue to be maintained with sufficient fund balance that represents adequate net worth. Although community demands have increased with the growing population, the City has been responsible with its available resources.

The major financial highlights for 2011 are as follows:

- Assets of the City's primary government exceeded its liabilities at the close of the year by approximately \$10 million (net assets). Of this amount, approximately \$538,000 (unrestricted net assets) may be used without restrictions to meet the City's ongoing obligations to citizens and creditors.
- The primary government's total net assets decreased by approximately \$502,000 during 2011.
- Governmental activities' net assets decreased by approximately \$495,000, primarily the result of an increase in general governmental expenses.
- Business type total net assets decreased by approximately \$7,000.
- As of the end of the year, the primary government's governmental funds reported combined fund balances of \$2.5 million, a decrease of \$362,000 in comparison to the prior year.

Significant aspects of the City's financial well being, as of and for the year ended June 30, 2011, are detailed throughout this analysis.

### **USING THIS ANNUAL REPORT**

With the implementation of Governmental Accounting Standards Board Statement No. 34, a government's presentation of financial statements has greatly changed. The new statements focus on the government as a whole and on major individual funds. Both perspectives allow the reader to address relevant questions, broaden a basis for comparison from year to year and should enhance the City's accountability.

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 15 and 16) provide information about the activities of the City as a whole and present a longer-term view of the City's finances.

Fund financial statements start on page 18. For governmental activities, these statements depict how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

In 2011, the City implemented GASB 54, which resulted in the consolidation of the Ad Valorem 2 Tax Fund, Parish-Wide Sales and Use Tax Fund, Sales and Use Tax Fund, and all other non-major governmental funds into the City's General Fund for external reporting purposes. This resulted in an increase to the General Fund's 2011 opening fund balance by approximately \$2,636,800. Furthermore, the classification of the primary governments beginning net assets was changed as a result of the application of accounting principles. Restricted net assets were increased by approximately \$1,366,600 as a result in the change. Accordingly, the City's 2010 financial information included in the MD&A reflects these changes for comparative purposes.

Our auditor has provided assurance in their independent auditors' report, located immediately preceding this MD&A, that the financial statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the required supplemental information and the supplemental information. A user of this report should read the independent auditors' report carefully to ascertain the level of assurance being provided for each part of this report.

### **Reporting on the City as a Whole**

Our analysis of the City as a whole begins on page 15. The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way to determine if the City is in better condition as a result of the year's financial results. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to accounting methods used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods.

These two statements report the City's net assets and related changes. You can think of the City's net assets—the difference between assets and liabilities—as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property and sales tax base and the condition of the City's roads and buildings, to assess the overall health of the City.



In the Statement of Net Assets and the Statement of Activities, we divide the City into two kinds of activities:

**Governmental activities** - Most of the City's basic services are reported here, including public safety, streets and sanitation, culture and recreation, and general administration. Property and sales taxes, charges for services, and state and federal grants finance most of these activities.

**Business-type activities** - The City charges a fee to customers to help it cover the cost of certain services it provides. The City maintains a wastewater treatment system which is reported here. The shortfall of revenue from this activity has been funded from sales tax collections.

The analysis below of the primary government focuses on the net assets and change in net assets of the City's governmental and business-type activities.

City of St. Gabriel, Louisiana						
Statement of Net Assets						
June 30, 2011 and 2010						
(in thousands)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 3,105	\$ 3,414	\$ (35)	\$ (193)	\$ 3,070	\$ 3,221
Capital assets	6,913	6,973	8,177	8,388	15,090	15,361
Total assets	<u>10,018</u>	<u>10,387</u>	<u>8,142</u>	<u>8,195</u>	<u>18,160</u>	<u>18,582</u>
Current and other liabilities	586	532	21	24	607	556
Long-term liabilities	4,581	4,508	2,990	3,033	7,571	7,541
Total liabilities	<u>5,167</u>	<u>5,040</u>	<u>3,011</u>	<u>3,057</u>	<u>8,178</u>	<u>8,097</u>
Net assets:						
Invested in capital assets, net of related debt	2,332	2,465	5,187	5,355	7,519	7,820
Restricted	1,783	1,767	142	144	1,925	1,911
Unrestricted	736	1,115	(198)	(361)	538	754
Total net assets	<u>\$ 4,851</u>	<u>\$ 5,347</u>	<u>\$ 5,131</u>	<u>\$ 5,138</u>	<u>\$ 9,982</u>	<u>\$ 10,485</u>

At June 30, 2011, the City's net assets were \$10 million, of which \$538,000 was unrestricted. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limits the City's ability to use those net assets for day-to-day operations.

Net assets of the City's governmental activities decreased by approximately \$495,000 during 2011, ending the year with unrestricted net assets of \$736,000. The decrease in governmental net assets was primarily due to an increase in general governmental and capital outlay expenses, coupled with a reduction in collections associated with fines, licenses, and permits. Unrestricted net assets, which decreased by \$379,000, represent the portion of the City's resources that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements.

The \$735,000 in governmental activities unrestricted net assets at the completion of the 2011 fiscal year represents the accumulated results of operations. It means that if we had to pay off all of the debt, we would have \$735,000 remaining. The changes in net assets are discussed later in this analysis.

The City operates wastewater treatment systems for its constituents. The principal focus of this activity is to operate on a profitable basis. For the current and past several years, the City has been required to subsidize these operations with sales and use tax collections to eliminate operating deficits. Even with an increase in the subsidy of \$140,000, to total approximately \$800,000, the net assets of the City's business activities decreased by approximately \$7,000 during 2011. This is an improvement over the \$283,000 deficit recognized in the prior year.

(Continued)

The results of this year's operations for the primary government as a whole as reported in the Statement of Activities, are as follows:

<p style="text-align: center;">City of St. Gabriel, Louisiana  Changes in Net Assets  For the years ended June 30, 2011 and 2010  (in thousands)</p>						
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 859	\$ 968	\$ 115	\$ 129	\$ 974	\$ 1,097
Operating grants	73	313	-	-	73	313
Capital grants	90	-	-	-	90	-
General revenues:						
Ad Valorem taxes	2,500	2,387	-	-	2,500	2,387
Sales taxes	2,872	2,851	-	-	2,872	2,851
Video poker taxes	560	593	-	-	560	593
Other general revenues	557	614	6	-	563	614
Total revenues	<u>7,511</u>	<u>7,726</u>	<u>121</u>	<u>129</u>	<u>7,632</u>	<u>7,855</u>
Functions/Program Expenses:						
General government	2,570	1,815	-	-	2,570	1,815
Public safety	1,933	1,680	-	-	1,933	1,680
Streets and sanitation	1,717	2,098	-	-	1,717	2,098
Culture and recreation	783	890	-	-	783	890
Wastewater treatment	-	-	928	1,071	928	1,071
Interest on long-term debt	203	144	-	-	203	144
Total expenses	<u>7,206</u>	<u>6,627</u>	<u>928</u>	<u>1,071</u>	<u>8,134</u>	<u>7,698</u>
Increase (decrease) in net assets						
before transfers	305	1,099	(807)	(942)	(502)	157
Transfers	<u>(800)</u>	<u>(660)</u>	<u>800</u>	<u>660</u>	<u>-</u>	<u>-</u>
Change in net assets	(495)	439	(7)	(282)	(502)	157
Beginning net assets	<u>5,346</u>	<u>4,907</u>	<u>5,138</u>	<u>5,420</u>	<u>10,484</u>	<u>10,327</u>
Ending net assets	<u>\$ 4,851</u>	<u>\$ 5,346</u>	<u>\$ 5,131</u>	<u>\$ 5,138</u>	<u>\$ 9,982</u>	<u>\$ 10,484</u>

The decrease in net assets of nearly \$502,000 is due mainly to the operations of the governmental activities. General governmental and capital outlay expenses increased and there was a decline in the fees-charged for services. These results were also discussed in the previous section.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is now on major funds, rather than generic fund types.

### **Reporting the City's Most Significant Funds**

An analysis of the City's major funds begins on page 18 with the fund financial statements that provide detailed information about the most significant funds and not the City as a whole. Some funds are required to be established by State law or by bond covenants. However, the City Council establishes other funds to control and manage financial resources for particular purposes or meeting legal responsibilities for using certain taxes, grants, and other assets. The City's two kinds of funds, governmental and proprietary, use different accounting bases.

**Governmental funds** - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Most of the City's basic services are reported in governmental funds. These funds use the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation to the financial statements. The governmental major funds (Exhibits A-2 and A-4) presentation is presented using modified accrual basis and focuses on the major funds of the City.

**Proprietary funds** - When the City charges customers for the services it provides—whether to outside customers or to other units of the City—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's enterprise funds are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

**Notes to the financial statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements and can be found in Exhibit A-9.

**Other information** - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning original and final budgetary comparisons to actual results for the year for the City's major funds. See Exhibit B through B-3.

Certain supplementary financial information can be found in Exhibits C and C-1. These schedules are included for additional information and analysis and do not constitute a part of the basic financial statements.

### **Financial Analysis of the Government's Funds**

The general government operations of the City are accounted for in the General Fund, Special Revenue Funds, Capital Project Funds, and Debt Service Funds. The focus of these funds, as noted earlier, is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. The following is a summary of general governmental operations for 2011 by fund type:

	(in thousands)			
	2011			2010
	General Fund	Special Revenue Fund	Totals	Totals
Revenues & other financing sources	\$ 7,260	\$ 1,122	\$ 8,382	\$ 10,724
Expenditures & transfers	7,711	1,033	8,744	10,380
Surplus (deficit)	(451)	89	(362)	344
Fund balance, June 30 2010	2,677	217	2,894	2,550
Fund balance, June 30, 2011	\$ 2,226	\$ 306	\$ 2,532	\$ 2,894

The City's governmental funds experienced a deficit of \$362,000 during 2011. At year end, fund balances were approximately \$2.5 million. Approximately \$589,000 is unrestricted and available for utilization at the City's discretion. The remainder of the fund balance has been restricted, committed, or classified as nonspendable. These classifications and restrictions are for debt service, infrastructure and maintenance, public improvements, and assets such as prepaid insurance, which cannot be used for other purposes.

The General Fund is the chief operating fund of the City. At the end of the fiscal year, fund balance of the General Fund was approximately \$2.2 million compared to the fund balance of \$2.7 million at 2010. The decrease in fund balance resulted from the operating deficit of \$451,000, which is less than the \$544,000 surplus budgeted by the City. This variation is primarily due to the budgeted revenue from sales tax and state grants not meeting expectations due to slow economic recovery. In addition, general fund capital outlay expenditures associated with the purchase of generators and other governmental equipment exceeded originally expected levels. Furthermore, the City sold property in a previous year that was partially funded through grant funds; as a result, the granting agencies portion of the proceeds from the sale of approximately \$270,000 has been accrued for repayment. This refunding was not budgeted.

The City's other major funds are the Civic Center Operating Fund and the Code Enforcement Grant Fund. The Civic Center Operating Fund realized an operating deficit of approximately \$449,000, before transfers in. After transfers, the Civic Center Operating Fund completed the year with a surplus of approximately \$85,000, which is an increase from the prior year's deficit of approximately \$85,000. The Code Enforcement Grant Fund also experienced an increase in fund balance of \$4,000, which is less than the prior year's increase of approximately \$41,000; however, when consideration is given to the reduction of transfers in of \$75,000 compared to the prior year, overall operating results improved during 2011.

Sources of governmental revenues, excluding transfers, are summarized below.

Source of Revenue	(in thousands)			
	2011		2010	
	Revenue	Percent	Revenue	Percent
Taxes	\$ 5,413	75%	\$ 5,280	72%
Intergovernmental	655	9%	1,066	14%
Licenses and permits	265	4%	287	4%
Fines	485	7%	580	8%
Miscellaneous	385	5%	165	2%
Total	\$ 7,203	100%	\$ 7,378	100%

Revenues of the primary government for general governmental fund types for 2011 totaled \$7.2 million, compared with \$7.4 million for the previous year, representing nearly a \$200,000 or 2% decrease. The decrease in revenue of \$200,000 is primarily due to decreases in grant and intergovernmental related proceeds related to FEMA grant revenue from Hurricane Katrina. As noted above, the City's activities are largely supported by tax revenues, which represent 75% of total governmental resources.

Approximately \$5.4 million of the \$7.2 million of governmental revenues in 2011 were for dedicated purposes. The remaining \$1.8 million, generated in the General Fund, were available to fund a number of City services, such as the Streets and Sanitation Department, Public Safety, Social and Recreational Services and City administrative functions.

The expenditures of the primary government increased by approximately \$501,000 in 2011. General governmental expenditures for each major function are summarized in the following table.

Function	(in thousands)			
	2011		2010	
	Expenditure	Percent	Expenditure	Percent
General Government	\$ 2,309	32%	\$ 1,957	29%
Public Safety	1,842	25%	1,563	23%
Streets and sanitation	1,675	23%	1,604	24%
Social and recreational services	652	9%	753	11%
Debt service	273	4%	451	7%
Capital Outlay	474	7%	396	6%
Total	<u>\$ 7,225</u>	<u>100%</u>	<u>\$ 6,724</u>	<u>100%</u>

The largest increases in spending of \$352,000 and \$280,000 occurred in general government and public safety, respectively. The general governmental increase was primarily due to the refunding of grant funds mentioned previously. The increase in public safety expenses was mostly contributed to increased salaries and related expenditures.

### GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year the City's General Fund's budget was amended on several occasions. The amendment of the operating and capital budgets is a customary practice of the City and is reflective of the change that occurs with financial related matters throughout the fiscal year. The most significant change during 2011 was as follows:

- To reflect decreased anticipated tax revenues.
- To reflect decreased fine revenues.
- To reflect increases in expenditures, primarily in general government and streets and sanitation. The more significant amendments were related to legal fees and other professional services, capital outlay, and street and building maintenance projects.

With these adjustments, the actual charges to appropriations (expenditures) were \$644,000 more than the related final budget appropriations of \$5.5 million. The most significant negative variance occurred in the City's general government and capital outlay functions, where expenditures were \$416,000 and \$203,000 respectively, more than anticipated expenditures. These cost overruns were primarily related to the refunding of grant proceeds received in a previous year, professional services and equipments

purchases. Public safety also incurred a negative variance of \$59,000 related primarily to retirement expenses.

The City experienced increased expenditures from the prior year in all departments relating to insurance, utilities, and fuel expenditures. In particular, employee health and general liability insurance costs increased. Finally, rising fuel costs have impacted the City relative to the vehicle fuel purchased along with City utility expenditures.

The operating deficit in the General Fund for 2011 was \$451,000 and the related fund balance was \$2.2 million at year end.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At the end of 2011, the City had approximately \$15 million invested in a broad range of capital assets, including vehicles, fire equipment, computer equipment, office furniture, land, buildings, park facilities, roads, and sewer treatment systems. This amount represents a net decrease of approximately \$272,000, or 1.8 percent, less than last year.

	(in thousands)					
	Governmental		Business-type		Totals	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Land	\$ 442	\$ 442	\$ 60	\$ 60	\$ 502	\$ 502
Construction in progress	96	-	55	-	151	-
Buildings	4,761	4,807	-	-	4,761	4,807
Equipment and vehicles	617	593	-	-	617	593
Sewer treatment plants	-	-	8,062	8,328	8,062	8,328
Infrastructure	997	1,131	-	-	997	1,131
Total assets, net of depreciation	<u>\$ 6,913</u>	<u>\$ 6,973</u>	<u>\$ 8,177</u>	<u>\$ 8,388</u>	<u>\$ 15,090</u>	<u>\$ 15,361</u>

More detailed information about the City's capital assets as well as information on the City's capital projects is presented in Note 5 to the financial statements. The City had \$538,000 in capital additions during 2011. These capital outlays were primarily related to improvements made to governmental facilities (\$168,000) and equipment and vehicles purchased (\$299,000). However, depreciation expense of the City's assets of \$810,000 resulted in a net decline in capital assets of \$272,000.

The City is primarily responsible for approximately 17 miles of roads.



### Debt

At year-end, the City had \$7.6 million in bonds and notes outstanding versus \$7.5 million last year—an increase of \$29,000 — as shown below:

	(in thousands)			
	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Public improvement	\$ 4,501	\$ 151	\$ 71	\$ 4,581
Capital leases	8	-	8	-
Revenue bonds	<u>3,033</u>	<u>-</u>	<u>43</u>	<u>2,990</u>
	<u>\$ 7,542</u>	<u>\$ 151</u>	<u>\$ 122</u>	<u>\$ 7,571</u>

The City paid off and remained current on all bonds and notes outstanding, including capital lease agreements relating to equipment acquired for the general government and streets and sanitation departments. The City retired approximately \$122,000 in debt during 2011.

The State of Louisiana limits the amount of general obligation debt that municipalities can issue to 35 percent of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt is significantly below this \$52 million state-imposed limit. More detailed information about the City's long-term liabilities is presented in Note 6 to the financial statements.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The City's elected and appointed officials considered many factors when setting the fiscal-year 2012 budget and tax rates. One of those factors is the economy. The largest taxpayers in the City are primarily companies involved in the petrochemical processing sector. These companies are significantly impacted by the increasing cost of fuel, including natural gas. With the high price of fuel in recent years, these companies have experienced financial difficulty resulting in reduction of personnel staffing and the rate of plant expansion, if any. As a result, the local economy has been impacted by the financial concerns of this major industry in the City.

For 2012, revenues and other financing sources are budgeted at \$15 million while expenditures are expected to be \$15.3 million. If these estimates are realized, the City's budgetary fund balances are expected to decrease by the close of 2012 by \$275,000.

An important factor affecting the budget is the City's ad valorem and sales tax collections that approximate 56% of 2012 budgeted operating revenue. The City budgeted no change in total sales tax collections 2012. Additionally, the 2012 operating budget expenditures provides for decreases in streets and sanitation of 32%, mainly in personnel costs. General government expenditures are budgeted to decrease by 13% due to various reductions in overall expenditures. Another major factor is the application for grant funding of \$2.4 million to be used for road and sewer improvement projects.

These indicators were taken into account when adopting the General Fund budget for 2012. Property taxes are expected to increase slightly during 2012. The taxes are expected to fund operations of the City's governmental operations, the Civic Center, including debt service, sewer operations, and economic development projects. Traffic tickets and fines are projected to remain the same for 2012. The City will use these revenues to fund the City's Police Department.

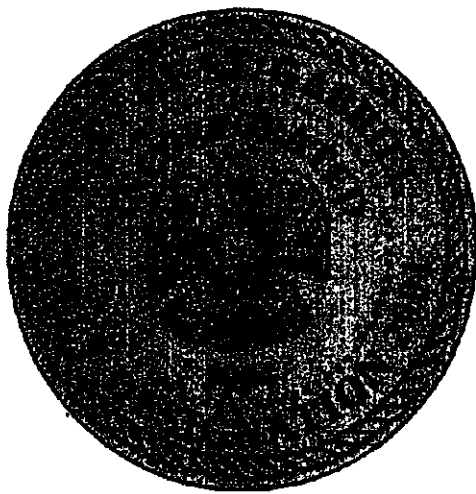
### **Contacting the City's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show accountability for the money it receives. If you have questions about this report or need additional financial information, contact Tammy Phillips with the City's Finance Office at (225) 642-9600 or 5035 Iberville Street, St. Gabriel, Louisiana, 70776.



# City of St. Gabriel, Louisiana

## Basic Financial Statements



**CITY OF ST. GABRIEL, LOUISIANA**  
**STATEMENT OF NET ASSETS**

June 30, 2011

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,393,198	\$ 435,819	\$ 1,829,017
Accounts receivable, net			
Loans	34,069	-	34,069
Other	10,523	9,504	20,027
Due from other governments	757,465	-	757,465
Prepaid items	85,016	-	85,016
Internal balances	621,458	(621,458)	-
Restricted assets	203,827	141,614	345,441
Capital assets:			
Non-depreciable	538,095	114,808	652,903
Depreciable, net	6,374,385	8,061,973	14,436,358
<b>Total assets</b>	<b>\$ 10,018,036</b>	<b>\$ 8,142,260</b>	<b>\$ 18,160,296</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 133,662	\$ 7,303	\$ 140,965
Accrued payables	361,788	14,062	375,850
Deferred revenue - revolving loans	90,496	-	90,496
Long-term payables:			
Due within one year	65,035	45,492	110,527
Due in more than one year	4,515,603	2,944,422	7,460,025
<b>Total liabilities</b>	<b>5,166,584</b>	<b>3,011,279</b>	<b>8,177,863</b>
<b>NET ASSETS</b>			
Investment in capital assets, net of related debt	2,331,842	5,186,867	7,518,709
Restricted-nonexpendable	85,016	-	85,016
Restricted for:			
Infrastructure and maintenance	1,134,732	-	1,134,732
Public improvements	416,807	-	416,807
Debt service	203,827	141,614	345,441
Unrestricted (deficit)	679,228	(197,500)	481,728
<b>Total net assets</b>	<b>4,851,452</b>	<b>5,130,981</b>	<b>9,982,433</b>
<b>Total liabilities and net assets</b>	<b>\$ 10,018,036</b>	<b>\$ 8,142,260</b>	<b>\$ 18,160,296</b>

Notes on Exhibit A-9 are an integral part of this statement.

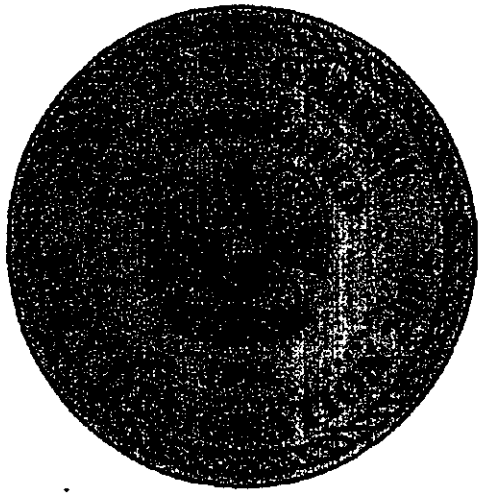
## CITY OF ST. GABRIEL, LOUISIANA

## STATEMENT OF ACTIVITIES

For the year ended June 30, 2011

	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
<b>Functions/Programs</b>						
<b>Primary government:</b>						
Governmental activities:						
General government	\$ 2,570,471	\$ 361,131	\$ 72,632	\$ 90,000	\$ (2,046,708)	\$ -
Public safety	1,932,816	484,723	-	-	(1,448,093)	-
Streets and sanitation	1,716,971	-	-	-	(1,716,971)	-
Culture and recreation	782,820	13,062	-	-	(769,758)	-
Interest on long-term debt	202,758	-	-	-	(202,758)	-
Total governmental activities	<u>7,205,836</u>	<u>858,916</u>	<u>72,632</u>	<u>90,000</u>	<u>(6,184,288)</u>	<u>-</u>
Business-type activities:						
Waste water treatment facilities	921,806	114,671	-	-	-	(807,135)
Total business-type activities	<u>921,806</u>	<u>114,671</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(807,135)</u>
Total primary government	<u>\$ 8,127,642</u>	<u>\$ 973,587</u>	<u>\$ 72,632</u>	<u>\$ 90,000</u>	<u>(6,184,288)</u>	<u>(807,135)</u>
General revenues:						
Taxes:						
Ad valorem					2,499,585	-
Sales					2,871,556	-
Video Poker					559,880	-
Other					48,251	-
Grants and contributions not restricted to specific programs					198,250	-
Investment earnings					1,611	333
Proceeds from insurance					310,080	-
Transfers					(800,000)	800,000
Total general revenues and transfers					<u>5,689,213</u>	<u>800,333</u>
Change in net assets					(495,075)	(6,802)
Net assets - beginning of year					<u>5,346,527</u>	<u>5,137,783</u>
Net assets - end of year					<u>\$ 4,851,452</u>	<u>\$ 5,130,981</u>
						<u>\$ 9,982,433</u>

Notes on Exhibit A-9 are an integral part of this statement.



## CITY OF ST. GABRIEL, LOUISIANA

BALANCE SHEETS  
GOVERNMENTAL FUNDS

June 30, 2011

	General	Civic Center Operating Fund	Code Enforcement Grant	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 780,464	\$ 377,498	\$ 235,236	\$ 1,393,198
Receivables, net				
Loans	34,069	-	-	34,069
Other	10,523	-	-	10,523
Due from other governments	602,583	58,840	96,042	757,465
Prepaid items	85,017	-	-	85,017
Restricted cash	56,427	147,400	-	203,827
Due from other fund	1,211,613	-	-	1,211,613
<b>Total assets</b>	<b>\$ 2,780,696</b>	<b>\$ 583,738</b>	<b>\$ 331,278</b>	<b>\$ 3,695,712</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 123,939	\$ 9,721	\$ -	\$ 133,660
Accrued expenses	340,784	8,591	-	349,375
Due to other fund	-	431,490	158,665	590,155
Deferred revenue - loans	90,496	-	-	90,496
<b>Total liabilities</b>	<b>555,219</b>	<b>449,802</b>	<b>158,665</b>	<b>1,163,686</b>
<b>FUND EQUITY</b>				
Fund Balances:				
Nonspendable	85,016	-	-	85,016
Restricted for:				
Infrastructure and maintenance	1,134,732	-	-	1,134,732
Public improvements	416,807	-	-	416,807
Debt service	-	133,936	-	133,936
Committed for code enforcement	-	-	172,613	172,613
Unrestricted	588,922	-	-	588,922
<b>Fund balance</b>	<b>2,225,477</b>	<b>133,936</b>	<b>172,613</b>	<b>2,532,026</b>
<b>Total liabilities and fund balance</b>	<b>\$ 2,780,696</b>	<b>\$ 583,738</b>	<b>\$ 331,278</b>	<b>\$ 3,695,712</b>

Notes on Exhibit A-9 are an integral part of this statement.



**CITY OF ST. GABRIEL, LOUISIANA****RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET ASSETS**

June 30, 2011

Total net assets reported for governmental activities in the statement of net assets are different because:

Total fund balances - governmental funds (Exhibit A-2)	\$	2,532,026
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		6,912,480
Long-term liabilities (e.g. bonds, leases), are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Accrued interest payable	(12,416)	
Bonds and capital lease payable	<u>(4,580,638)</u>	<u>(4,593,054)</u>
Net assets of governmental activities (Exhibit A)	\$	<u>4,851,452</u>

Notes on Exhibit A-9 are an integral part of this statement.

## CITY OF ST. GABRIEL, LOUISIANA

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

For the year ended June 30, 2011

	General	Civic Center Operating Fund	Code Enforcement Grant	Total Governmental Funds
<b>REVENUES</b>				
Taxes:				
Property	\$ 2,499,585	\$ -	\$ -	\$ 2,499,585
Sales	2,871,556	-	-	2,871,556
Other	42,303	-	-	42,303
Intergovernmental	375,251	279,940	-	655,191
Licenses and permits	162,194	-	102,896	265,090
Fines	484,723	-	-	484,723
Other	363,660	20,930	-	384,590
Total revenues	6,799,272	300,870	102,896	7,203,038
<b>EXPENDITURES</b>				
Current:				
General government	2,025,148	-	283,876	2,309,024
Public safety	1,842,116	-	-	1,842,116
Streets and sanitation	1,675,481	-	-	1,675,481
Social and recreational services	175,922	476,198	-	652,120
Debt service	-	273,259	-	273,259
Capital outlay	473,938	-	-	473,938
Total expenditures	6,192,605	749,457	283,876	7,225,938
Excess (deficiency) of revenues over (under) expenditures	606,667	(448,587)	(180,980)	(22,900)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	533,823	185,000	718,823
Proceeds from debt	150,759	-	-	150,759
Proceeds from insurance	310,080	-	-	310,080
Transfers out	(1,518,823)	-	-	(1,518,823)
Total other financing sources (uses)	(1,057,984)	533,823	185,000	(339,161)
Net change in fund balance	(451,317)	85,236	4,020	(362,061)
<b>FUND BALANCE</b>				
Beginning of year	2,676,794	48,700	168,593	2,894,087
End of year	\$ 2,225,477	\$ 133,936	\$ 172,613	\$ 2,532,026

Notes on Exhibit A-9 are an integral part of this statement.

## CITY OF ST. GABRIEL, LOUISIANA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO  
THE STATEMENT OF ACTIVITIES**

For the year ended June 30, 2011

The change in net assets reported for governmental activities in the statement of activities is different because:

Net change in fund balances - total governmental funds (Exhibit A-4) \$ (362,061)

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation.

Capital outlay	\$ 473,938	
Depreciation expense	<u>(534,424)</u>	(60,486)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of activities.

Proceeds from issuance of debt	(150,759)	
Principal payments on debt	<u>78,231</u>	<u>(72,528)</u>

Change in net assets of governmental activities (Exhibit A-1) \$ (495,075)

**CITY OF ST. GABRIEL, LOUISIANA  
PROPRIETARY FUND - SEWER FUND**

**STATEMENT OF NET ASSETS**

June 30, 2011

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 435,819
Accounts receivable, net	9,504
Restricted cash	<u>141,614</u>
Total current assets	<u>586,937</u>

Noncurrent assets:

Capital assets:

Non-depreciable	114,808
Depreciable, net	<u>8,061,973</u>

Total noncurrent assets	<u>8,176,781</u>
-------------------------	------------------

Total assets	<u>\$ 8,763,718</u>
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**LIABILITIES**

Current liabilities:

Accounts payable	\$ 7,303
Accrued expenses	14,062
Due to other funds	621,458
Bonds payable	<u>45,492</u>

Total current liabilities	688,315
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Noncurrent liabilities:

Bonds payable	<u>2,944,422</u>
---------------	------------------

Total liabilities	<u>3,632,737</u>
-------------------	------------------

**NET ASSETS**

Investment in capital assets, net of related debt	5,186,867
--	-----------

Restricted for:

Debt service	141,614
--------------	---------

Unrestricted deficit	<u>(197,500)</u>
----------------------	------------------

Total net assets	<u>5,130,981</u>
------------------	------------------

Total liabilities and net assets	<u>\$ 8,763,718</u>
----------------------------------	---------------------

Notes on Exhibit A-9 are an integral part of this statement.

**CITY OF ST. GABRIEL, LOUISIANA**  
**PROPRIETARY FUND - SEWER FUND**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET ASSETS**

For the year ended June 30, 2011

**OPERATING REVENUES**

Charges for services	\$ 114,671
Miscellaneous	333
Total operating revenues	<u>115,004</u>

**OPERATING EXPENSES**

Personnel	290,116
Depreciation	275,858
Utilities	84,768
Insurance	45,980
Maintenance	38,067
Professional services	15,404
Chemicals	14,633
Vehicle fuel	3,422
Supplies	16
Other	<u>18,284</u>
Total operating expenses	<u>786,548</u>

Operating loss	(671,544)
----------------	-----------

**NON-OPERATING EXPENSES**

Interest expense	<u>(135,258)</u>
Loss before transfers	(806,802)
Transfers in	<u>800,000</u>
Net loss	(6,802)

**NET ASSETS**

Beginning of year	<u>5,137,783</u>
End of year	<u>\$ 5,130,981</u>

Notes on Exhibit A-9 are an integral part of this statement.

**CITY OF ST. GABRIEL, LOUISIANA  
PROPRIETARY FUND - SEWER FUND**

**STATEMENT OF CASH FLOWS**

For the year ended June 30, 2011

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers	\$ 114,523
Payments to suppliers	(219,330)
Payments to employees	(293,844)
Net cash used for operating activities	<u>(398,651)</u>

**CASH FLOWS FROM CAPITAL AND  
RELATED FINANCING ACTIVITIES**

Fixed asset additions	(64,433)
Principal paid on capital debt	(43,498)
Interest paid on capital debt	(135,258)
Net cash used by capital and related financing activities	<u>(243,189)</u>

**CASH FLOWS FROM NONCAPITAL  
FINANCING ACTIVITIES**

Transfers in from other funds	800,000
Receipt of loans due to other funds	274,582
Net cash provided by noncapital and related financing activities	<u>1,074,582</u>

Net increase in cash 432,742

**CASH**

Beginning of period	<u>144,691</u>
End of period	<u>\$ 577,433</u>

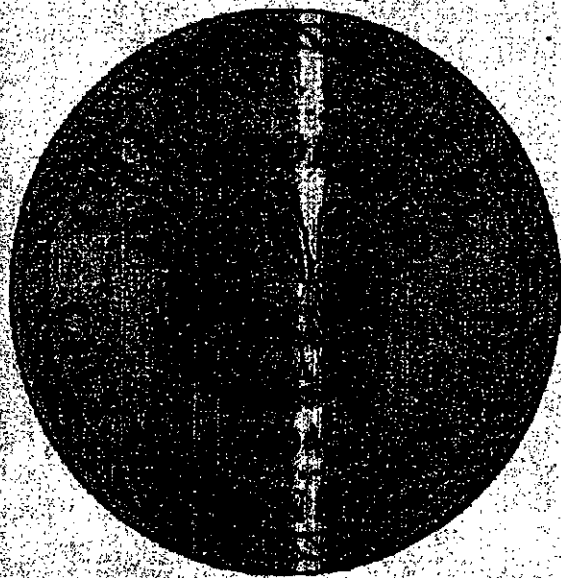
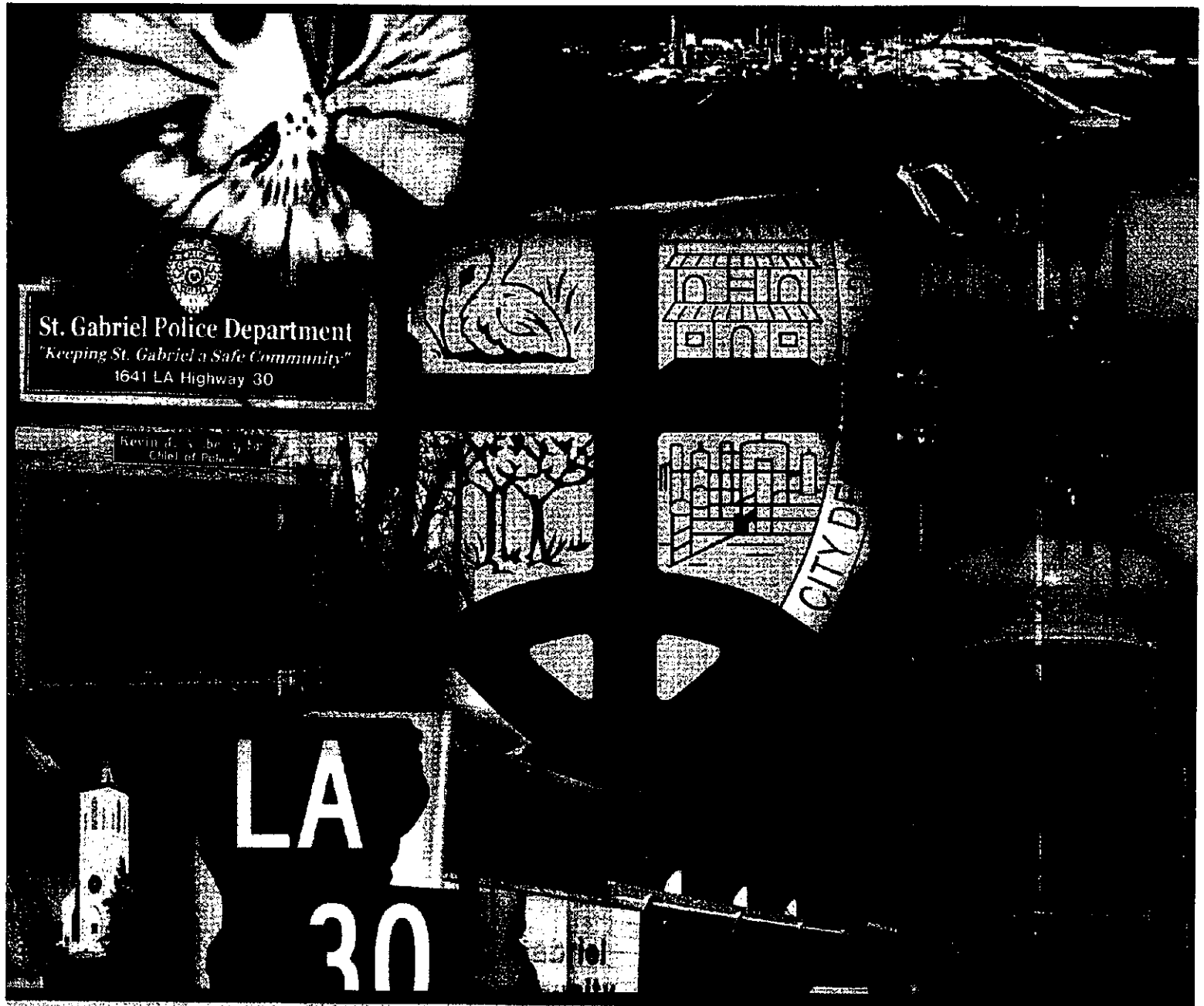
**RECONCILIATION OF CASH**

Cash and cash equivalents	\$ 435,819
Restricted cash	141,614
Total cash	<u>\$ 577,433</u>

**RECONCILIATION OF OPERATING LOSS TO  
NET CASH USED FOR OPERATING ACTIVITIES:**

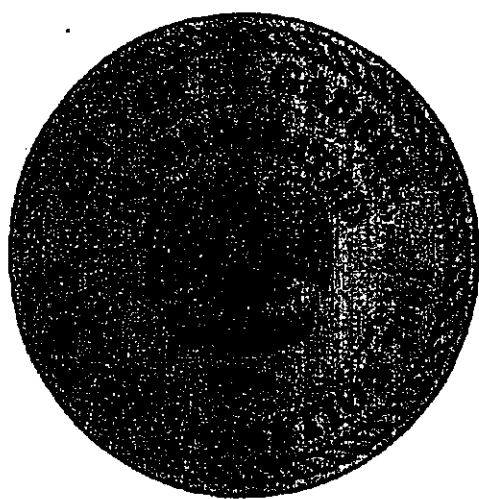
Operating loss	\$ (671,544)
Adjustments of operating loss:	
Depreciation	275,858
Provision for bad debt	37,503
Change in operating assets and liabilities:	
Accrued expenses	(3,728)
Accounts payable	1,244
Accounts receivable	(37,984)
Net cash used for operating activities	<u>\$ (398,651)</u>

Notes on Exhibit A-9 are an integral part of this statement.



# City of St. Gabriel, Louisiana

## Notes to the Financial Statements





## **CITY OF ST. GABRIEL, LOUISIANA**

### **NOTES TO FINANCIAL STATEMENTS**

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Statement Presentation**

The financial statements of the City of St. Gabriel, Louisiana (the City) have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The more significant accounting policies established in GAAP and used by the City are described below.

The financial statements comply with GASB approved Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* and include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the City’s overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the City’s activities, including infrastructure (roads, bridges, etc.).
- A change in the fund financial statements to focus on the major funds.

In February 2009, the GASB unanimously approved Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. In 2011, the City implemented GASB 54, which resulted in the consolidation of the Ad Valorem 2 Tax Fund, Parish-Wide Sales and Use Tax Fund, Sales and Use Tax Fund, and all other non-major governmental funds into the City’s General Fund for external reporting purposes. This resulted in an increase to the General Fund’s 2011 opening fund balance from \$39,978 to \$2,676,794. Furthermore, the classification of the primary governments beginning net assets was changed as a result of the application of accounting principles. Restricted net assets were increased by approximately \$1,366,641 as a result in the change. These changes will affect the comparability of these statements to historical financial statements.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Reporting Entity**

These financial statements present the City as the primary government. For financial reporting purposes, the City is controlled by or dependent on the City's executive or legislative branches (the Mayor or the City Council, respectively). Control by or dependence on the City is determined on the basis of budget adoption, taxing authority, outstanding debts secured by revenues or general obligations of the City, obligations of the City to finance any deficits that may occur, or receipt of significant subsidies from the City.

As the municipal governing authority, for reporting purposes, the City is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary municipal government, and where applicable (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The criteria for determining which component units should be considered part of the City for financial reporting purposes are as follows:

- Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name;
- Whether the City governing authority (the Council and/or Mayor) appoints a majority of board members of the potential component unit;
- Fiscal interdependency between the City and the potential component unit;
- Imposition of will by the City on the potential component unit; and
- Financial benefit/burden relationship between the City and the potential component unit.

As required by generally accepted accounting principles, these financial statements present the City; there are no component units to be included either blended within the City's funds or discretely presented in these financial statements.

(continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation**

The City's basic financial statements consist of the government-wide statements of the primary government (the City) and the fund financial statements (individual major funds and combined non-major funds). The City's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and applied to governmental units. Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide financial statements and the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to follow subsequent private-sector guidance.

***Government-wide Financial Statements***

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities for all non-fiduciary activities of the City. As a general rule, the effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the government as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These statements distinguish between the governmental and business-type activities of the City.

Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Business type activities are financed in whole or part by fees charged to external parties for utility services provided. The City's sewer services are classified as business-type activities.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

***Fund Financial Statements***

The fund financial statements are very similar to the traditional government fund statements as prepared by governments prior to the issuance of GASB No. 34. Emphasis is now on the major funds in either the governmental or business-type categories. Non-major funds by category or fund type are summarized into a single column.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (Continued)**

***Fund Financial Statements (Continued)***

The daily operations of the City continue to be organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures or expenses, as appropriate. Funds are organized into three major categories: governmental, proprietary and fiduciary. The City does not have any fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City (the general fund) or meets the following criteria:

- Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be expended and the means by which spending activities are controlled. The various funds and account groups of the primary government presented in the financial statements are described as follows:

***Governmental Fund Types***

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of expendable financial resources and related liabilities of the City are accounted for through governmental funds. Measurement is focused upon determining changes in financial position rather than net income. The following are the governmental fund types of the City:

***General Fund*** - The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The general fund is always a major fund.

***Special Revenue Funds*** - Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The special revenue funds that are considered major funds are the Civic Center Operating Fund and the Code Enforcement Grant Fund.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Basis of Presentation (Continued)

#### *Proprietary Fund Types*

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Enterprise Funds** - Enterprise funds are used to account for operations (1) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs and expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City's enterprise fund has been considered a major fund.

### Basis of Accounting and Measurement Focus

#### *Government-wide financial statements*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Ad Valorem taxes are recognized in the year for which they are assessed.

#### *Fund financial statements*

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included in the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). "Available" means collectible within the current period or within 60 days after year-end. Charges for services, fines and forfeitures, and most governmental miscellaneous revenues, are recorded as earned since they are measurable and available.

Non-exchange transactions, in which the City receives value without directly giving value in return, include sales tax, ad valorem tax, and federal and state aid and grants.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting and Measurement Focus (continued)**

***Fund financial statements (continued)***

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15th of each year, and become delinquent after December 31st. The taxes are generally collected in December, January and February of the current fiscal year. Furthermore, the City budgets use of ad valorem taxes on a fiscal year basis. Sales taxes are recorded when in the possession of the intermediary collecting agent and are recognized as revenue at that time. Federal and state aid and grants are recorded as revenue when the City is entitled to the funds, generally corresponding to when grant-related costs are incurred by the City, but subject to the availability criteria.

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except (1) unmatured interest on general long-term debt, which is recognized when due, and (2) claims and judgments and compensated absences, which are recorded as expenditures in the governmental fund when paid with expendable financial resources. Allocations of costs such as depreciation and amortization are not recognized in the governmental funds.

All proprietary funds are accounted for on a flow of economic resources measurement focus. Proprietary funds are maintained on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred, if measurable party gives and receives. Revenues resulting from the exchange transactions, in which each party gives and receives essentially equal value, is reconciled on the accrual basis when the exchange takes place.

**Cash and Cash Equivalents**

Cash and cash equivalents for the City include the Louisiana Asset Management Pool (LAMP) account and each individual fund's share of the consolidated operating cash accounts.

Consolidated bank accounts have been established for the City into which substantially all monies are deposited and from which most disbursements are made. In addition, investment purchases are charged and maturities are deposited to the consolidated bank account. The purpose of the consolidation of bank accounts was to provide administrative efficiency and to maximize investment earnings. The accounts entitled "Cash and Cash Equivalents" is therefore composed of a fund's pro rata share of the cash balance in the consolidated cash account plus its' pro rata share of investments made through the investment of excess cash. Investment earnings are recorded in the general fund.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and Cash Equivalents (continued)**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The investment policy of the City is governed by state statutes that include depository and custodial contract provisions. The City invests funds in accordance with L.R.S. 39:1211-1245 and 33:2955 which include, but are not limited to, United States treasury bonds, treasury notes, treasury bills, and fully collateralized interest-bearing checking accounts and certificates of deposit. Other provisions require depositories to insure or collateralize all deposits in accordance with state law and require securities collateralizing deposits to be held by an independent third party with whom the City has a custodial agreement. The City primarily utilizes the Louisiana Asset Management Pool to invest idle funds and records amounts invested at fair value.

For purposes of the Statement of Cash Flows, liquid investments of the enterprise fund with a maturity of three months or less are considered to be cash equivalents. Also, see Note 2.

**Accounts Receivable and Bad Debts**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. For governmental activities, uncollectible amounts due for receivables are recognized as bad debts directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. In governmental fund types, the uncollectible amount is charged directly to the revenue or deferred revenue reported. In business-type activities, uncollectible amounts due from sewer billing receivables are recognized as bad debts through the use of an allowance account or are directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. An allowance for doubtful accounts of approximately \$156,000 was recorded at June 30, 2011.

**Interfund Receivables/Payables**

During the course of operations numerous transactions occur between individual funds. Those related to short-term borrowings are classified as "due from other funds" or "due to other funds" on the balance sheet and result primarily from participation in the consolidated cash account. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets. See Notes 9 and 10 for details of interfund transactions, including receivables and payables at year-end. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

**Restricted Cash**

Restricted cash represents amounts which have been designated for debt service reserves and to meet unexpected contingencies for property repairs and replacements. Restricted cash consisted of approximately \$345,000 as of June 30, 2011.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**Capital Assets**

The accounting treatment of property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

***Government-wide Statements***

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. Major outlays for capital assets and improvements are capitalized at completion of the construction projects. The City's capitalization policy stipulates a capitalization threshold of \$1,000.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are expensed. Improvements are capitalized.

Prior to the implementation of GASB No. 34, governmental funds' infrastructure assets were not capitalized. These assets are comprised of the streets maintained by the City and have been valued at estimated historical cost.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	25-40 years
Improvements	15-30 years
Machinery and equipment	5-20 years
Utility system	5-50 years
Infrastructure	20-40 years

***Fund Financial Statements***

In the fund financial statements fixed assets used in governmental fund operations are not capitalized. Instead, capital acquisition and construction are reflected as expenditures in the governmental funds.



**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets (continued)**

Property, plant and equipment used by the proprietary funds are stated at cost. Interest costs incurred during construction periods are capitalized. Depreciation has been provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

Sewer treatment systems	10-40 years
Sewer pump station	20 years

**Long-term Debt**

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

In the government-wide Statement of Net Assets and in the proprietary fund types' financial statements, long-term debt is reported as a liability. Bond issuance costs are reported as deferred charges and amortized over the term of the bond. The long-term debt consists primarily of public improvement bonds, certificates of indebtedness for public improvements, and accrued compensated absences.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures. The accounting for proprietary fund debt is the same in the fund financial statements as it is in the government-wide financial statements. The City is not obligated for any special assessment debt.

**Compensated Absences**

All full-time employees of the City are entitled to annual paid vacation and sick leave. Accumulated unused vacation leave earned but not taken is forfeited at the end of the City's fiscal year. Additionally, sick leave may be accumulated up to 60 days. However, unused sick leave is forfeited upon retirement or termination and has not been reflected in these financial statements.

**Government-wide and Proprietary Fund Net Assets**

Government-wide and proprietary fund net assets are divided into three components:

- Invested in capital assets, net of related debt—consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net assets—consist of net assets that are restricted by the City's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted—all other net assets are reported in this category.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Governmental Fund Balances**

In the governmental fund financial statements, fund balances are classified as follows:

- **Nonspendable**—Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted**—Amounts that can be spent only for specific purposes because of the City Charter, the City Code, state or federal laws, or externally imposed conditions by grantors or creditors.
- **Committed**—Amounts that can be used only for specific purposes determined by a formal action by City Council ordinance or resolution. This includes the budget reserves.
- **Assigned**—Amounts that are designated by the Mayor for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by City Council.
- **Unassigned**—All amounts not included in other spendable classifications.

**Use of Restricted Resources**

When an expense is incurred that can be paid using either restricted or unrestricted resources (net assets), the City's policy is to apply the expenditure in the following priority:

1. Restricted fund balance,
2. Committed fund balance,
3. Assigned fund balance, and
4. Unassigned fund balance.

**Interfund Transfers**

Transfers between funds are included in the budgets of such funds. In those cases where repayment is expected, the advances are accounted for through the various interfund accounts.

**Budget Policy and Budgetary Accounting**

A proposed budget is prepared and submitted by the Mayor to the City Council prior to the beginning of each fiscal year. A budget summary and notice of a public hearing is published with the public hearing being conducted prior to the adoption of the budget. The City follows the requirements of Louisiana Budget Law. The City is required to adopt its budget prior to June 30. Once adopted, the Mayor is able to transfer part or all of any appropriation within a department of a fund; however, the authority for other budget amendments resides with the City Council.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **Budget Policy and Budgetary Accounting (continued)**

The annual operating budget, prepared on the accrual basis, covers the general, special revenue, debt service, capital projects, and enterprise funds. At the end of the fiscal year unexpended appropriations automatically lapse. Budget amendments are approved by the City Council and are included in the financial statements.

In connection with budget preparation, a portion of the unreserved fund balance of an individual fund may be designated for expenditures of the subsequent year. Such designation represents the extent to which the fund balance is used to balance the subsequent year's operating budget of that fund as reflected in the legally adopted budget.

### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for depreciation, prepaid insurance, and deferred revenue.

## **NOTE 2 - CASH AND INVESTMENTS**

The City may invest in United States bonds, treasury notes, or certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana or other qualifying federally insured investments.

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of June 30, 2011, the City's deposits were not exposed to any custodial risk.

As of June 30, 2011 the City had a balance of \$1,200,668 invested in LAMP.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pools of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA - R.S. 33:2955. The value of the portfolio is carried at amortized cost.

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

- Credit risk: LAMP is rated AAAm by Standard & Poor's.
- Custodial risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost. The fair value of the participant's position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

**NOTE 3 - DUE FROM OTHER GOVERNMENTS**

Due from other governments at June 30, 2011, consists of the following:

**Primary Government:**

Parish of Iberville, Louisiana - sales tax	\$ 519,638
United States Department of Homeland Security - Hurricane Gustav	24,105
State of Louisiana - video poker and grants	117,680
State of Louisiana - Code Enforcement Grant	<u>96,042</u>

Total primary government	<u>\$ 757,465</u>
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**NOTE 4 - AD VALOREM TAXES**

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (L.R.S. 47:1957). The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

**NOTE 4 - AD VALOREM TAXES (CONTINUED)**

All property taxes are recorded in governmental funds as explained in Note 1 above. Revenues in governmental funds are recognized in the accounting period in which they become available and measurable. Property taxes are considered measurable in the calendar year of the tax levy. Accordingly, the taxes assessed for the calendar year falling within the current fiscal year are recorded as revenue. Property taxes are considered available because they are substantially collected during the fiscal year and are therefore available to liquidate liabilities of the current period.

The property tax calendar is as follows:

Millage rates adopted	September 17, 2010
Levy date	September 17, 2010
Due date	December 31, 2010
Lien date	January 1, 2011
Collection dates	December 1, 2010 to February 28, 2011

Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of one and one-fourth percent per month until the taxes are paid (La.R.S. 47:2101). After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed (La.R.S. 47:2181). Therefore, there are no delinquent taxes at year end.

For the year ended June 30, 2011, taxes of 16.84 mills were levied for general government and public purposes on property with assessed valuations totaling \$148,896,250. Total taxes levied were \$2,507,412. Property tax millage rates are adopted in the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before December 31 of the current year, and become delinquent thereafter.

The City collected ad valorem taxes of \$1,868,264 from ten property owners during the year ended June 30, 2011. Tax collections from four of the ten taxpayers amounted to \$1,488,000.

(Continued)

**NOTE 5 - CAPITAL ASSETS**

**General Fixed Assets**

A summary of changes in general fixed assets for the year ended June 30, 2011, is as follows:

	Beginning Balance	Increases	Ending Balance
<b>Governmental activities:</b>			
<b>Capital assets not being depreciated:</b>			
Land	\$ 442,324	\$ -	\$ 442,324
Construction in progress	-	95,771	95,771
Total capital assets, not being depreciated	<u>442,324</u>	<u>95,771</u>	<u>538,095</u>
<b>Capital assets being depreciated:</b>			
Buildings and improvements	5,551,816	72,300	5,624,116
Equipment and vehicles	3,153,218	298,592	3,451,810
Infrastructure	1,979,322	7,275	1,986,597
Total capital assets being depreciated	<u>10,684,356</u>	<u>378,167</u>	<u>11,062,523</u>
Less accumulated depreciation for:			
Buildings and improvements	744,846	118,172	863,018
Equipment and vehicles	2,560,444	274,810	2,835,254
Infrastructure	848,424	141,442	989,866
Total accumulated depreciation	<u>4,153,714</u>	<u>534,424</u>	<u>4,688,138</u>
Total capital assets, being depreciated, net	<u>6,530,642</u>	<u>(156,257)</u>	<u>6,374,385</u>
Governmental activities capital assets, net	<u>\$ 6,972,966</u>	<u>\$ (60,486)</u>	<u>\$ 6,912,480</u>
<b>Business Activities:</b>			
<b>Capital assets not being depreciated:</b>			
Land	\$ 60,000	\$ -	\$ 60,000
Construction in progress	-	54,808	54,808
Total capital assets, not being depreciated	<u>60,000</u>	<u>54,808</u>	<u>114,808</u>
<b>Capital assets being depreciated:</b>			
Sewer treatment plants	9,965,143	9,625	9,974,768
Sewer pump station	189,961	-	189,961
Total capital assets being depreciated	<u>10,155,104</u>	<u>9,625</u>	<u>10,164,729</u>
Less accumulated depreciation for:			
Sewer treatment plants	1,775,422	267,704	2,043,126
Sewer pump station	51,476	8,154	59,630
Total accumulated depreciation	<u>1,826,898</u>	<u>275,858</u>	<u>2,102,756</u>
Total capital assets being depreciated, net	<u>8,328,206</u>	<u>(266,233)</u>	<u>8,061,973</u>
Business-type activities capital assets, net	<u>\$ 8,388,206</u>	<u>\$ (211,425)</u>	<u>\$ 8,176,781</u>

**NOTE 5 - CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions/programs of the primary government as follows:

**Governmental activities:**

Streets and sanitation	\$ 198,551
Recreation	144,468
Public safety	109,174
General government	<u>82,231</u>

Total depreciation expense - governmental activities	<u>\$ 534,424</u>
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**NOTE 6 - LONG-TERM DEBT**

**Debt Outstanding**

The following is a summary of debt transactions of the City for the year ended June 30, 2011:

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Public improvement	\$ 4,500,580	\$ 150,759	\$ 70,701	\$ 4,580,638	\$ 65,035
Capital leases	<u>7,530</u>	<u>-</u>	<u>7,530</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,508,110</u>	<u>\$ 150,759</u>	<u>\$ 78,231</u>	<u>\$ 4,580,638</u>	<u>\$ 65,035</u>
<b>Business-type activities:</b>					
Revenue bonds	<u>\$ 3,033,412</u>	<u>\$ -</u>	<u>\$ 43,498</u>	<u>\$ 2,989,914</u>	<u>\$ 45,492</u>

(Continued)

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

Long-term debt obligations for the primary government at June 30, 2011, are comprised of the following:

**Governmental Activities**

\$4,980,000 Civic Center Revenue Bond secured by a pledge and dedication of sales tax revenues, due in monthly installments of \$22,012 through October 7, 2045; interest at 4.375%. \$ 4,580,638

Total long-term debt from governmental activities \$ 4,580,638

**Enterprise Fund**

**Revenue Bonds:**

\$1,237,000 Sewer Revenue Bonds secured by a pledge and dedication of sewer revenues, due in monthly installments of \$5,617 through December 15, 2040; interest at 4.50 %. \$ 1,098,086

\$532,000 Sewer Revenue Bonds secured by a pledge and dedication of sewer revenues, due in monthly installments of \$2,416 through June 6, 2041; interest at 4.50 %. 476,078

\$1,064,000 Sewer Revenue Bonds secured by a pledge and dedication of sewer revenues, initial annual interest payments of \$47,880 due on December 18, 2004 and 2005, thereafter in monthly installments of \$4,884 through December 18, 2043; interest at 4.50 %. 997,791

\$444,000 Sewer Revenue Bonds secured by a pledge and dedication of sewer revenues, due in monthly installments of \$1,980 through February 23, 2045; interest at 4.50%. 417,959

Total long-term debt from business-type activities \$ 2,989,914

(Continued)



**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

**Debt Service Requirements to Maturity**

The annual requirements to amortize debt outstanding at June 30, 2011, are as follows:

Year	Civic Center Revenue Bond		Total Governmental Long-term debt	
	Principal	Interest	Principal	Interest
2012	\$ 65,035	\$ 199,109	\$ 65,035	\$ 199,109
2013	67,938	196,206	67,938	196,206
2014	70,971	193,173	70,971	193,173
2015	74,139	190,005	74,139	190,005
2016	77,448	186,696	77,448	186,696
2017-2021	442,287	878,433	442,287	878,433
2022-2026	550,218	770,502	550,218	770,502
2027-2031	684,485	636,235	684,485	636,235
2032-2036	851,515	469,205	851,515	469,205
2037-2041	1,039,305	261,415	1,039,305	261,415
2042-2045	657,297	37,390	657,297	37,390
	<u>\$ 4,580,638</u>	<u>\$ 4,018,369</u>	<u>\$ 4,580,638</u>	<u>\$ 4,018,369</u>
<b>Business-type Activities</b>				
Year	Sewer Revenue Bonds		Total Business-type Long-term debt	
	Principal	Interest	Principal	Interest
2012	\$ 45,492	\$ 133,272	\$ 45,492	\$ 133,272
2013	47,502	131,192	47,502	131,192
2014	49,758	129,006	49,758	129,006
2015	52,038	126,726	52,038	126,726
2016	54,422	124,342	54,422	124,342
2017-2021	311,792	582,028	311,792	582,028
2022-2026	389,704	504,116	389,704	504,116
2027-2031	488,226	405,594	488,226	405,594
2032-2036	610,365	283,455	610,365	283,455
2037-2041	722,413	129,086	722,413	129,086
2042-2045	218,202	14,992	218,202	14,992
	<u>\$ 2,989,914</u>	<u>\$ 2,563,809</u>	<u>\$ 2,989,914</u>	<u>\$ 2,563,809</u>

(Continued)

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

Normally debt issues are not retired prior to their maturity. For accounting purposes, interest coupons issued in connection with the sale of various bond issues become obligations/expenditures of the City only with the passage of time and they represent fixed and determinable obligations which must be retired from future revenues.

There are no outstanding bonds secured by ad valorem taxes of the City at this time.

**Bond Restrictions**

**Sewer Revenue Bonds – Phase I, II, III, and IV**

In accordance with the indenture governing Sewerage Utility Fund Revenue Bonds, Series 2000, 2001, 2002, and 2003 cash is periodically deposited into accounts administered by a trustee bank. These bonds are a direct liability of the Sewerage Enterprise fund to be serviced by the earnings from the fund. Deposits are made to these trust accounts in accordance with the requirements of each debt issue.

1. The Sewer System Revenue fund requires all revenue derived from its operations to be deposited in a bank that is a member of the Federal Deposit Insurance Corporation as long as any of the bonds are outstanding. Required transfers are made on a monthly basis to designated trust accounts. In addition, the series 2000, 2001, 2002, and 2003 bonds require the use of a separate construction account.
2. The Sewer Revenue Bond and Interest Sinking funds require monthly fund transfers from the Sewer System Revenue fund to provide payment of the next maturing interest and principal of the revenue bonds.
3. The Sewer Revenue Bond Reserve funds require monthly transfers until a sum equal to the highest combined principal and interest falling due in any year has been accumulated. These funds are restricted to payment of principal and interest in case of default. Monthly transfers are \$281, \$121, \$244, and \$99. At June 30, 2011, \$34,509 and \$14,284 was held in these reserve accounts.
4. The Sewer Depreciation and Contingency funds require monthly transfers of \$281, \$121, \$244, and \$99. The funds are restricted to payments for unusual or extraordinary maintenance, repairs, replacement, and extensions and improvements that will either enhance its revenue producing capacity or provide improved service. The funds will also be used to pay principal and interest if there are not sufficient funds in the Sewer Revenue Bond and Interest Sinking funds, or Sewer Revenue Bond Reserve funds. At June 30, 2011, \$34,509 and \$14,284 was held in these reserve accounts.

Sewer revenue bonds are secured by a pledge of sewer revenues through 2045. The sewer revenue bonds were issued for the purpose of funding the construction of wastewater treatment facilities. During 2011, the City received approximately \$115,000 in sewer revenues. The bonds debt service for 2011 was approximately \$179,000. The shortfall was funded by transfers from the City's parish-wide sales and use tax fund.

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

**Civic Center Revenue Bonds**

In accordance with the indentures governing Civic Center Revenue bonds, Series 2003, cash is periodically deposited into accounts administered by a trustee bank. These bonds are a direct liability of the Civic Center Special Revenue fund to be serviced by the earnings from the fund. Deposits are made to these trust accounts in accordance with the requirements of each.

1. The Civic Center Revenue bonds require all revenue derived from its operations to be deposited in a bank that is a member of the Federal Deposit Insurance Corporation as long as any of the bonds are outstanding. Required transfers are made on a monthly basis to designated trust accounts.
2. The Civic Center Revenue Bond Reserve fund requires monthly transfers ranging from \$1,100 until a sum equal to the highest combined principal and interest falling due in any year has been accumulated. This fund is restricted to payment of principal and interest in case of default. At June 30, 2011, \$61,755 was held in this reserve account. Subsequent to the close of the year, the account was funded to achieve the required balance of \$73,700.
3. The Civic Center Depreciation and Contingency funds require monthly transfers of \$1,100. The funds are restricted to payments for unusual or extraordinary maintenance, repairs, replacement, and extensions and improvements that will either enhance its revenue producing capacity or provide improved service. It will also be used to pay principal and interest if there are not sufficient funds in the Civic Center Revenue fund. At June 30, 2011, \$62,021 was held in this reserve account. Subsequent to the close of the year, the account was funded to achieve the required balance of \$73,700.

The Civic Center Revenue bonds are secured from a pledge of the City's 1% sales and use tax. During 2011, the City collected approximately \$1,059,000 in sales and use tax proceeds with approximately \$264,000 used to fund current debt service until retirement through 2045. The debt was issued for the purpose of funding the construction of a community center. Excess sales tax revenues over debt service requirements are available for use as stipulated by the tax dedication and determined by the City.

**Legal Debt Margin**

Computation for legal debt margin for general obligation bonds is as follows:

Ad Valorem taxes - assessed valuation	<u>\$ 148,896,250</u>
Debt limit: 10% of assessed valuation (for any one purpose)	<u>\$ 14,889,625</u>
Debt limit: 35% of assessed valuation (aggregate, all purposes)	<u>\$ 52,113,688</u>

## **NOTE 7 - DEDICATED REVENUES**

### **Ad Valorem Tax**

A 10.00 mills ad valorem tax was levied in September, 2010. The tax is dedicated for public improvements including, but not limited to, housing, economic development, and funding for a community center. Dedicated ad valorem taxes of \$1,484,314 were collected during the year ended June 30, 2011.

### **Sales and Use Tax**

A one-third of one percent sales and use tax is dedicated for public purposes, including, but not limited to, sewer and wastewater facilities, water and fire protection, streets, sidewalks, bridges and drainage and other capital expenditures, including operating and maintenance costs related thereto. The City received \$1,059,487 from sales and use tax during the year ended June 30, 2011.

### **Parish-wide Sales Tax**

A two percent parish-wide sales tax is dedicated for public infrastructure and maintenance. The City received \$1,812,069 from parish-wide sales tax during the year ended June 30, 2011. The tax is collected on a parish-wide basis in Iberville Parish and shared with certain municipalities in the Parish on a pro-rata basis based on populations.

## **NOTE 8 - PENSION AND RETIREMENT PLANS**

### **State of Louisiana Municipal Employees' Retirement System**

*Plan Description* – Substantially all employees of the City are members of the State of Louisiana Municipal Employees' Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, each with separate assets and benefit provisions. All employees of the City are members of Plan A.

All permanent employees working at least 35 hours per week who are paid wholly or in part from City funds are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service or at any age with at least 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary multiplied for each year of creditable service. Monthly retirement benefits paid under Plan A cannot exceed the lesser of 100 percent of final-average salary or \$70 multiplied by total years of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average.

Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination.

**NOTE 8 - PENSION AND RETIREMENT PLANS (CONTINUED)**

The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810. Their web site is [www.mersla.com](http://www.mersla.com).

*Funding Policy* – Under Plan A, members are required by state statute to contribute 9.25 percent of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 14.25 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent of the ad valorem taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City are established and may be amended by state statute. As provided by L.R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The City's contributions to the system under Plan A for the years ended June 30, 2011, 2010 and 2009 were \$291,762, \$185,841, and \$157,132, respectively, and were equal to the statutorily required contributions for each year.

**Municipal Police Employees' Retirement System**

*Plan Description* – Police department employees of the City are members of the Municipal Police Employees Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All permanent full-time police officers who are paid wholly or in part from City police department funds are required to participate in the System.

Under the plan, officers who retire at or after age 55 with at least 12 years of creditable service, or at or after age 50 with at least 20 years of creditable service, or any age with at least 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 and 1/3 percent of their final-average salary multiplied for each year of creditable service not to exceed 100 percent of final salary. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System, 7722 Office Park Boulevard, Suite 200, Baton Rouge, Louisiana 70809-7601, or by calling (225) 929-7411. Their web site is [www.lampers.org](http://www.lampers.org).

**NOTE 8 - PENSION AND RETIREMENT PLANS (CONTINUED)**

*Funding Policy* – Under the plan, members are required to contribute 7.5 percent of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 25 percent of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by state statute. The employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The City's contributions to the system under the plan for the years ended June 30, 2011, 2010 and 2009 were \$155,306, \$56,729, and \$39,622, respectively, and were equal to the statutorily required contributions for each year.

**Firefighters' Retirement System**

*Plan Description* – Fire department employees of the City are members of the Firefighters' Retirement System (System), a state-wide cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All permanent full-time fire department employees who are paid wholly or in part from the City's fire department funds are eligible to participate in the System.

Under the plan, employees who retire at or after age 55 with at least 12 years of creditable service, or at or after age 50 with at least 20 years of creditable service, or at any age with at least 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average compensation based on 36 consecutive months of highest pay multiplied for each year of creditable service not to exceed 100 percent of their final salary. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, 3100 Brentwood Drive, Baton Rouge, Louisiana 70809-1752, or by calling (225) 925-4060. Their web site is [lafirefightersret.com](http://lafirefightersret.com).

*Funding Policy* – Under the plan, members are required by state statute to contribute 8 percent of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 21.5 percent of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by state statute. The employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The City's contributions to the System under the plan for the years ended June 30, 2011, 2010 and 2009, were \$43,914, \$20,337, and \$14,984, respectively, and were equal to the statutorily required contributions for each year.

**NOTE 9 - INTERFUND TRANSFERS**

**Interfund Transfers**

Operating transfers for the year ended June 30, 2011, were as follows:

	<u>Transfers</u>	
	<u>In</u>	<u>Out</u>
<b>Governmental Activities:</b>		
General		
Code Enforcement	\$ -	\$ 185,000
Civic Center Operating	-	533,823
Sewer	-	800,000
Total General Fund	-	<u>1,518,823</u>
Code Enforcement		
General	185,000	-
Civic Center Operating		
General	<u>533,823</u>	-
Total governmental activities	<u>718,823</u>	<u>1,518,823</u>
<b>Business-type Activities:</b>		
Sewer		
General Fund	<u>800,000</u>	-
Total business-type activities	<u>800,000</u>	-
Total primary government	<u>\$ 1,518,823</u>	<u>\$ 1,518,823</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(Continued)

**NOTE 10 - INTERFUND RECEIVABLE AND BALANCES**

	Interfund	
	Receivable	Payable
<b>Governmental activities:</b>		
General Fund		
Civic Center Operating Fund	\$ 431,490	\$ -
Sewer Fund	616,833	-
Sewer Fund Phase III	4,625	-
Code Enforcement Grant Fund	158,665	-
Total General Fund	1,211,613	-
Civic Center Operating Fund		
General Fund	-	431,490
Code Enforcement Grant Fund		
General Fund	-	158,665
<b>Business-type activities:</b>		
Sewer		
General Fund	-	616,833
Sewer Phase III		
General Fund	-	4,625
Total primary government	<u>\$ 1,211,613</u>	<u>\$ 1,211,613</u>

**NOTE 11 - COMPENSATION TO THE GOVERNING BODY**

The City's elected officials' terms expire on June 30, 2011. The City compensated its Mayor and members of the City Council as follows:

Mayor:	
George L. Grace, Sr.	\$ 70,304
City Council:	
Deborah R. Alexander	12,000
Flora J. Danielfield	12,000
Freddie C. Frazier, Sr.	12,000
Melvin Hasten, Sr.	12,000
Ralph Johnson, Sr.	12,000
	<u>\$ 130,304</u>

**NOTE 12 - COMMITMENTS AND CONTINGENCIES**

**Suits and Claims**

Various suits and claims arising in the ordinary course of operations are pending against the City. The majority of the cases are either covered by insurance or other defenses; however, the ultimate effect of such litigation cannot be ascertained at this time. It is the opinion of the City's management that the ultimate resolution of such litigation will not have a material effect on the financial position of the City.



## **NOTE 12 - COMMITMENTS AND CONTINGENCIES (CONTINUED)**

### **Suits and Claims (continued)**

On September 29, 2010, Mayor George Grace was indicted on various federal charges. Mayor Grace pled innocent to these charges in U.S. District Court. It is the opinion of the City management that the results of these proceedings, and the events leading to the indictment, did not have an effect on the financial activities of the City or the information included in the financial statements.

### **Risk Management**

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance. There were no major changes in insurance coverage from the prior year and settlements have not exceeded coverage in the past four years.

### **Grants**

The City receives state and local grants for specific purposes that are subject to audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. It is the opinion of City management that its compliance with the terms of grants will result in negligible, if any, disallowed costs. However, during 2011, an instance arose where a portion of grant funds may be payable back to the grant funding agency. A liability of approximately \$270,000 has been recorded at June 30, 2011 to recognize the amount which was determined to be probable to be due to the granting agency.

### **Environment Contingencies**

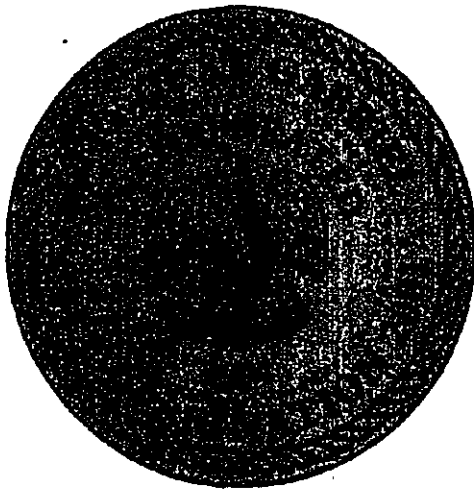
Management of the City is not aware of any unrecorded material commitments or contingent environmental liabilities. Environmental contingencies have been mitigated by testing of the sewer systems on a regular basis and providing test results to the proper environmental authorities.

### **Cash**

The City typically maintains cash and temporary investments in local banks that may, at times, exceed the FDIC insured limits of \$250,000. Amounts in excess of the FDIC limits are required by law to be collateralized by securities pledged by the bank.

## **NOTE 13 - SUBSEQUENT EVENTS**

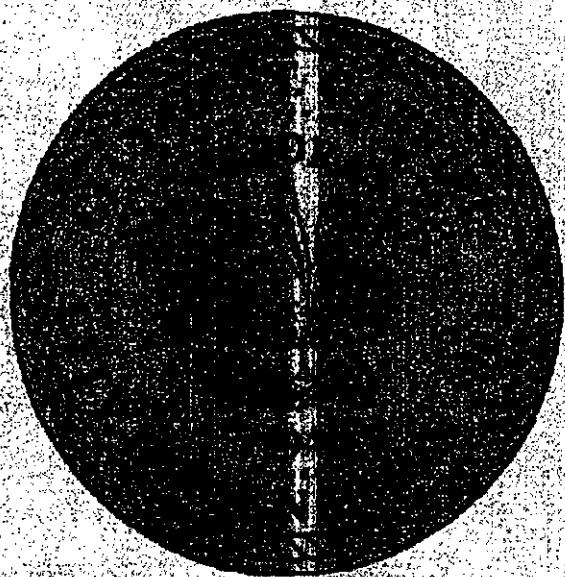
In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through January 27, 2012, the date the financial statements were available to be issued.

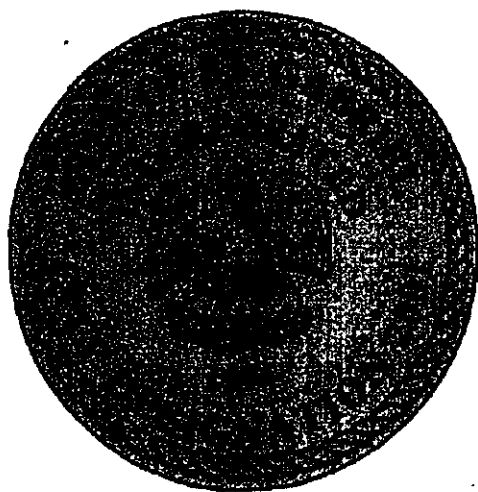




# City of St. Gabriel, Louisiana

**Required  
Supplementary  
Information**





**CITY OF ST. GABRIEL, LOUISIANA**  
**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - positive (negative)</u>
<b>REVENUES</b>				
Taxes				
Sales	\$ 3,225,000	\$ 3,025,000	\$ 2,871,556	\$ (153,444)
Ad valorem	2,425,000	2,480,000	2,499,585	19,585
Other	44,800	51,000	42,303	(8,697)
Intergovernmental	401,000	637,000	375,251	(261,749)
Licenses and permits	200,000	190,000	162,194	(27,806)
Fines	675,000	550,000	484,723	(65,277)
Other	<u>182,000</u>	<u>519,000</u>	<u>363,660</u>	<u>(155,340)</u>
Total revenues	<u>7,152,800</u>	<u>7,452,000</u>	<u>6,799,272</u>	<u>(652,728)</u>
<b>EXPENDITURES</b>				
Current function				
General government	1,326,100	1,609,050	2,025,148	(416,098)
Public safety	1,591,882	1,783,212	1,842,116	(58,904)
Streets and sanitation	1,183,200	1,707,300	1,675,481	31,819
Social and recreational services	205,950	177,500	175,922	1,578
Capital outlay	<u>150,000</u>	<u>271,300</u>	<u>473,938</u>	<u>(202,638)</u>
Total expenditures	<u>4,457,132</u>	<u>5,548,362</u>	<u>6,192,605</u>	<u>(644,243)</u>
Excess of revenues over expenditures	<u>2,695,668</u>	<u>1,903,638</u>	<u>606,667</u>	<u>(1,296,971)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from the issuance of debt	-	-	150,759	150,759
Proceeds from insurance	-	-	310,080	310,080
Transfers out				
Civic center operating fund	(375,000)	(375,000)	(533,823)	(158,823)
Code enforcement grant fund	(210,000)	(185,000)	(185,000)	-
Sewer	<u>(1,000,000)</u>	<u>(800,000)</u>	<u>(800,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,585,000)</u>	<u>(1,360,000)</u>	<u>(1,057,984)</u>	<u>302,016</u>
Net change in fund balance	<u>\$ 1,110,668</u>	<u>\$ 543,638</u>	<u>(451,317)</u>	<u>\$ (994,955)</u>
<b>FUND BALANCE</b>				
Beginning of year			<u>2,676,794</u>	
End of year			<u>\$ 2,225,477</u>	

Notes on Exhibits A-9 and B-3 are an integral part of this statement.

**CITY OF ST. GABRIEL, LOUISIANA  
CIVIC CENTER OPERATING FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2011

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance - positive (negative)</b>
<b>REVENUES</b>				
Intergovernmental	\$ 370,000	\$ 300,000	\$ 279,940	\$ (20,060)
Other	<u>25,000</u>	<u>33,500</u>	<u>20,930</u>	<u>(12,570)</u>
Total revenues	<u>395,000</u>	<u>333,500</u>	<u>300,870</u>	<u>(32,630)</u>
<b>EXPENDITURES</b>				
Social and recreational services	492,000	452,500	476,198	(23,698)
Debt service	<u>264,144</u>	<u>264,300</u>	<u>273,259</u>	<u>(8,959)</u>
Total expenditures	<u>756,144</u>	<u>716,800</u>	<u>749,457</u>	<u>(32,657)</u>
Deficiency of revenues over expenditures	(361,144)	(383,300)	(448,587)	(65,287)
<b>OTHER FINANCING SOURCES</b>				
Transfers in				
General fund	<u>375,000</u>	<u>375,000</u>	<u>533,823</u>	<u>158,823</u>
Excess (deficiency) of revenues over expenditures and other financing sources	<u>\$ 13,856</u>	<u>\$ (8,300)</u>	85,236	<u>\$ 93,536</u>
<b>FUND BALANCE</b>				
Beginning of year			<u>48,700</u>	
End of year			<u>\$ 133,936</u>	

Notes on Exhibit A-9 and B-3 are an integral part of this statement.

**CITY OF ST. GABRIEL, LOUISIANA  
CODE ENFORCEMENT GRANT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2011

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance - positive (negative)</b>
<b>REVENUES</b>				
Licenses and permits	\$ 125,000	\$ 118,650	\$ 102,896	\$ (15,754)
<b>EXPENDITURES</b>				
General government	<u>329,100</u>	<u>282,950</u>	<u>283,876</u>	<u>(926)</u>
Excess (deficiency) of revenues over expenditures	(204,100)	(164,300)	(180,980)	(16,680)
<b>OTHER FINANCING SOURCES</b>				
Transfers in General fund	<u>125,000</u>	<u>100,000</u>	<u>185,000</u>	<u>85,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$ (79,100)</u>	<u>\$ (64,300)</u>	4,020	<u>\$ 68,320</u>
<b>FUND BALANCE</b>				
Beginning of year			<u>168,593</u>	
End of year			<u>\$ 172,613</u>	

Notes on Exhibits A-9 and B-3 are an integral part of this statement.

## CITY OF ST. GABRIEL, LOUISIANA

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the year ended June 30, 2011

## NOTE 1 - BUDGETS

**Budget Policy and Budgetary Accounting**

A proposed budget is prepared and submitted by the Mayor to the City Council prior to the beginning of each fiscal year. A budget summary and notice of a public hearing is published with the public hearing being conducted prior to the adoption of the budget. The City follows the requirements of Louisiana Budget Law. The City is required to adopt its budget prior to June 30. Once adopted, the Mayor is able to transfer part or all of any appropriation within a department of a fund; however, the authority for other budget amendments resides with the City Council.

The annual operating budget, prepared on the accrual basis, covers the general, special revenue, debt service and enterprise funds. At the end of the fiscal year, unexpended appropriations automatically lapse. Budget amendments are approved by the Town Council and are included in the financial statements.

In connection with budget preparation, a portion of the unreserved fund balance of an individual fund may be designated for expenditures of the subsequent year. Such designation represents the extent to which the fund balance is used to balance the subsequent year's operating budget of that fund, as reflected in the legally adopted budget.

**Basis of Accounting**

All of the City's budgets are prepared on the accrual basis of accounting, which is described in Note 1 to the City's financial statements for the year ended June 30, 2011.

## NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

**Expenditures Exceeding Appropriations**

Excess of expenditures over appropriations in individual funds or departments within the fund occurred as follows:

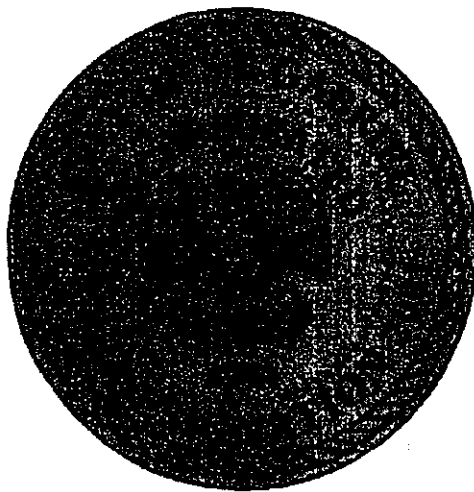
	Revised Budget	Actual (GAAP Basis)	Excess over Budget
<b>Governmental Fund:</b>			
General Fund			
General government	\$ 1,609,050	\$ 2,025,148	\$ (416,098)
Public safety	1,783,212	1,842,116	(58,904)
Capital outlay	271,300	473,938	(202,638)



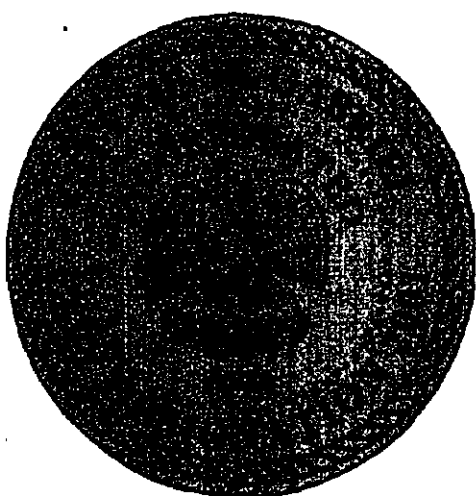
**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**Expenditures Exceeding Appropriations (Continued)**

	<u>Revised Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Excess over Budget</u>
<b>Governmental Fund:</b>			
Civic Center Fund			
Social and recreational services	\$ 452,500	\$ 476,198	\$ (23,698)
Debt service	264,300	273,259	(8,959)
Code Enforcement Grant Fund			
General government	282,950	283,876	(926)







**CITY OF ST. GABRIEL, LOUISIANA**

**Supplementary Information**

**CITY OF ST. GABRIEL, LOUISIANA**  
**GENERAL FUND**

**SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - positive (negative)</u>
<b>REVENUES</b>				
Taxes:				
Sales	\$ 3,225,000	\$ 3,025,000	\$ 2,871,556	\$ (153,444)
Ad valorem	2,425,000	2,480,000	2,499,585	19,585
Telephone	32,000	25,000	20,818	(4,182)
Cable TV	12,000	22,000	18,488	(3,512)
Franchise	800	4,000	2,997	(1,003)
Licenses and permits	200,000	190,000	162,194	(27,806)
Intergovernmental:				
State of Louisiana	25,000	300,000	94,171	(205,829)
Federal grants	-	36,000	-	(36,000)
Video draw poker	370,000	300,000	279,940	(20,060)
Contract services	1,000	-	-	-
Other	5,000	1,000	1,140	140
Fines	675,000	550,000	484,723	(65,277)
Other:				
Rent and other	100,000	76,000	75,703	(297)
Interest	15,000	1,000	1,579	579
Miscellaneous	50,000	425,000	260,104	(164,896)
Youth Camp fees	17,000	17,000	26,274	9,274
Total revenues	<u>\$ 7,152,800</u>	<u>\$ 7,452,000</u>	<u>\$ 6,799,272</u>	<u>\$ (652,728)</u>

**CITY OF ST. GABRIEL, LOUISIANA**  
**GENERAL FUND**

**SCHEDULE OF DEPARTMENTAL EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - positive (negative)</u>
<b>GENERAL GOVERNMENT</b>				
Salaries	\$ 397,300	\$ 403,500	\$ 366,299	\$ 37,201
Payroll taxes	15,000	9,600	11,798	(2,198)
Municipal retirement	60,000	65,000	97,881	(32,881)
Grant refund	-	-	270,329	(270,329)
Travel	33,000	33,000	33,865	(865)
Dues and subscriptions	11,000	6,200	5,149	1,051
Professional	133,000	430,000	498,304	(68,304)
Contract labor	5,000	1,200	2,000	(800)
Insurance	446,900	457,900	431,586	26,314
Building maintenance	14,000	11,400	12,179	(779)
Vehicle fuel	14,000	11,000	13,896	(2,896)
Office supplies	38,500	9,300	2,690	6,610
Vehicle maintenance	3,000	8,600	4,935	3,665
Telephone	42,000	34,000	43,529	(9,529)
Utilities	70,000	50,800	54,735	(3,935)
Council projects	15,000	-	7,730	(7,730)
TANF grant	-	4,250	3,848	402
Other	28,400	73,300	164,395	(91,095)
<b>Total general government</b>	<u>1,326,100</u>	<u>1,609,050</u>	<u>2,025,148</u>	<u>(416,098)</u>
<b>STREETS AND SANITATION</b>				
Salaries	723,200	723,200	735,737	(12,537)
Payroll taxes	33,000	33,000	26,749	6,251
Municipal retirement	45,000	104,000	67,482	36,518
Insurance	118,000	102,600	99,332	3,268
Contract labor	10,000	127,000	151,650	(24,650)
Equipment maintenance	68,500	33,800	41,326	(7,526)
Street and building maintenance	55,000	402,400	340,465	61,935
Utilities	3,000	8,000	9,175	(1,175)
Vehicle fuel	43,800	46,400	58,615	(12,215)
Supplies	45,000	75,000	71,157	3,843
Training	3,000	400	410	(10)
Capital Outlay	-	3,000	2,560	440
Other	35,700	48,500	70,823	(22,323)
<b>Total streets and sanitation</b>	<u>1,183,200</u>	<u>1,707,300</u>	<u>1,675,481</u>	<u>31,819</u>

**CITY OF ST. GABRIEL, LOUISIANA  
GENERAL FUND**

**SCHEDULE OF DEPARTMENTAL EXPENDITURES  
BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
<b>PUBLIC SAFETY</b>				
<b>Police</b>				
Salaries	\$ 797,100	\$ 797,100	\$ 809,024	\$ (11,924)
Payroll taxes	32,023	32,023	28,504	3,519
Municipal and police retirement	100,000	183,800	208,513	(24,713)
Insurance	95,000	133,100	113,646	19,454
Travel	1,000	2,500	2,566	(66)
Clothing	4,750	15,700	14,234	1,466
Training	9,000	9,000	9,270	(270)
Office supplies	17,000	42,200	40,514	1,686
Telephone	11,000	20,000	25,605	(5,605)
Vehicle fuel	43,330	68,330	86,318	(17,988)
Vehicle maintenance	40,500	40,000	47,593	(7,593)
Equipment maintenance	25,900	11,200	31,359	(20,159)
Field supplies	50,000	37,650	24,219	13,431
Printing	1,000	150	119	31
Rent and utilities	47,670	-	-	-
Other	20,909	69,759	75,136	(5,377)
Total police	<u>1,296,182</u>	<u>1,462,512</u>	<u>1,516,620</u>	<u>(54,108)</u>
<b>Fire</b>				
Salaries	217,500	217,500	221,979	(4,479)
Payroll taxes	7,000	6,700	7,707	(1,007)
Fire fighters retirement	20,000	45,000	43,914	1,086
Insurance	33,000	41,400	39,924	1,476
Training	500	-	-	-
Other	17,700	10,100	11,972	(1,872)
Total fire	<u>295,700</u>	<u>320,700</u>	<u>325,496</u>	<u>(4,796)</u>
Total public safety	<u>1,591,882</u>	<u>1,783,212</u>	<u>1,842,116</u>	<u>(58,904)</u>

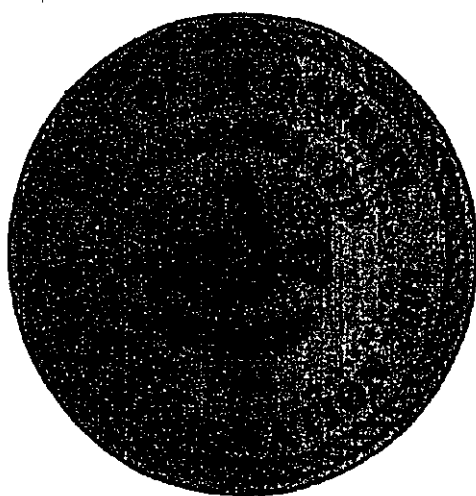


**CITY OF ST. GABRIEL, LOUISIANA**  
**GENERAL FUND**

**SCHEDULE OF DEPARTMENTAL EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended June 30, 2011

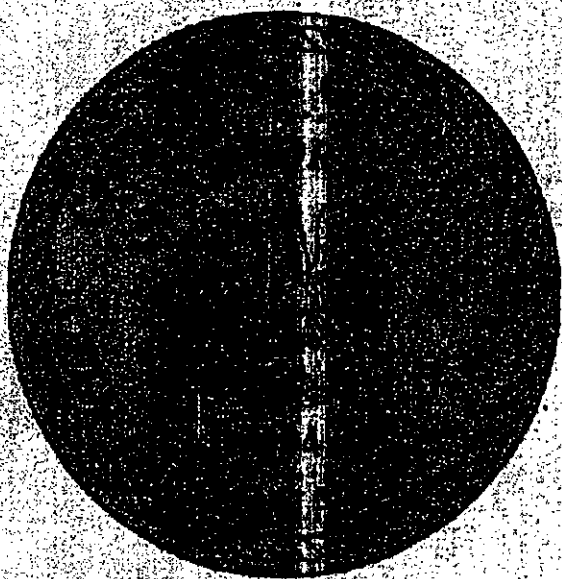
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - favorable (unfavorable)</u>
<b>SOCIAL AND RECREATIONAL SERVICES</b>				
<b>Social services and recreation</b>				
Salaries	\$ 47,300	\$ 47,300	\$ 48,203	\$ (903)
Payroll taxes	2,750	800	1,051	(251)
Municipal retirement	8,500	9,500	6,164	3,336
Insurance	13,950	2,600	2,513	87
Vehicle fuel	5,000	500	714	(214)
Supplies	1,800	-	-	-
Contract labor	200	-	-	-
Other	250	4,000	4,466	(466)
<b>Total social services and recreation</b>	<u>79,750</u>	<u>64,700</u>	<u>63,111</u>	<u>1,589</u>
<b>Senior center</b>				
Salaries	79,900	67,900	68,937	(1,037)
Payroll taxes	4,000	4,200	4,328	(128)
Municipal retirement	6,000	6,300	4,088	2,212
Insurance	12,900	15,000	14,959	41
Vehicle	4,000	1,300	1,642	(342)
Supplies	900	-	-	-
Other	500	1,600	1,801	(201)
<b>Total senior center</b>	<u>108,200</u>	<u>96,300</u>	<u>95,755</u>	<u>545</u>
<b>Youth camp</b>				
Other	18,000	16,500	17,056	(556)
<b>Total social and recreational services</b>	<u>205,950</u>	<u>177,500</u>	<u>175,922</u>	<u>1,578</u>
<b>Capital outlay</b>	<u>150,000</u>	<u>271,300</u>	<u>473,938</u>	<u>(202,638)</u>
<b>Total expenditures</b>	<u>\$ 4,457,132</u>	<u>\$ 5,548,362</u>	<u>\$ 6,192,605</u>	<u>\$ (644,243)</u>

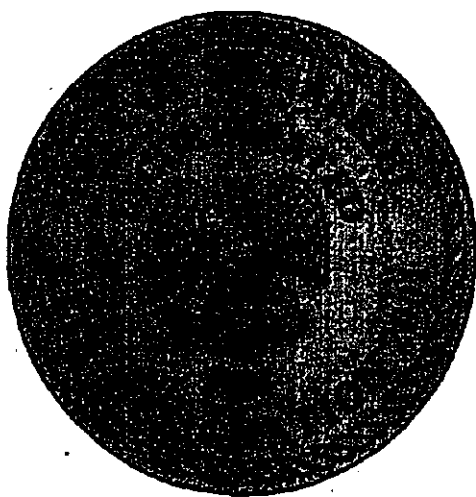




# City of St. Gabriel, Louisiana

## Statistical Section





# CITY OF ST. GABRIEL, LOUISIANA

## STATISTICAL SECTION

June 30, 2011

This section, which is composed of accounting and non-accounting data, is presented in order to provide the reader with additional information as an aid to understanding the financial activities of the governmental unit.

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#### Exhibit

#### Page

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**Revenue Capacity Information** - *These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.*

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**Debt Capacity Information** - *These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.*

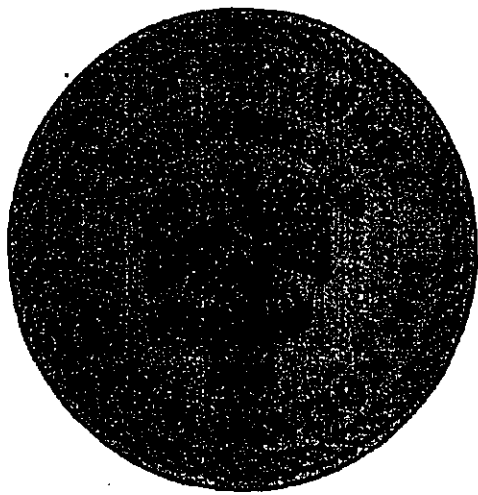
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**Demographic and Economic Information** - *These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.*

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**Operating Information** - *These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.*

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## CITY OF ST. GABRIEL, LOUISIANA

NET ASSETS BY COMPONENT  
LAST EIGHT FISCAL YEARS(accrual basis of accounting)  
(in thousands)

	FISCAL YEAR							
	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities								
Invested in capital assets, net of related debt	\$ 2,332	\$ 2,465	\$ 2,365	\$ 2,452	\$ 2,147	\$ 1,886	\$ 2,197	\$ 1,919
Restricted	1,784	402	315	140	90	243	140	40
Unrestricted	<u>735</u>	<u>2,480</u>	<u>2,227</u>	<u>1,236</u>	<u>1,438</u>	<u>1,299</u>	<u>524</u>	<u>451</u>
Total governmental activities net assets	<u>4,851</u>	<u>5,347</u>	<u>4,907</u>	<u>3,828</u>	<u>3,675</u>	<u>3,428</u>	<u>2,861</u>	<u>2,410</u>
Business-type activities								
Invested in capital assets, net of related debt	5,187	5,355	5,561	5,744	5,879	5,922	5,770	5,295
Restricted	142	144	63	31	31	29	29	-
Unrestricted	<u>(198)</u>	<u>(361)</u>	<u>(204)</u>	<u>(339)</u>	<u>(372)</u>	<u>(434)</u>	<u>(259)</u>	<u>100</u>
Total business-type activities net assets	<u>5,131</u>	<u>5,138</u>	<u>5,420</u>	<u>5,436</u>	<u>5,538</u>	<u>5,517</u>	<u>5,540</u>	<u>5,395</u>
Primary government								
Invested in capital assets, net of related debt	7,519	7,820	7,926	8,196	8,026	7,808	7,967	7,214
Restricted	1,926	546	378	171	121	272	169	40
Unrestricted	<u>537</u>	<u>2,119</u>	<u>2,023</u>	<u>897</u>	<u>1,066</u>	<u>865</u>	<u>265</u>	<u>551</u>
Total primary government net assets	<u>\$ 9,982</u>	<u>\$ 10,485</u>	<u>\$ 10,327</u>	<u>\$ 9,264</u>	<u>\$ 9,213</u>	<u>\$ 8,945</u>	<u>\$ 8,401</u>	<u>\$ 7,805</u>

Information available for eight years.

**NOTE:**

Due to the implementation of GASB 54 on a prospective basis in 2011 and increases to beginning restricted net assets resulting from the application of existing accounting principles, the illustrated comparisons of the City's prior year government wide net assets and governmental fund balances presented will not represent actual changes.

## CITY OF ST. GABRIEL, LOUISIANA

CHANGES IN NET ASSETS  
LAST EIGHT FISCAL YEARS(accrual basis of accounting)  
(in thousands)

	FISCAL YEAR							
	2011	2010	2009	2008	2007	2006	2005	2004
<b>Expenses</b>								
Governmental activities								
General government	\$ 2,570	\$ 1,815	\$ 1,892	\$ 1,889	\$ 1,139	\$ 1,560	\$ 1,060	\$ 967
Public safety	1,933	1,681	1,513	1,257	1,026	1,195	1,017	835
Streets and sanitation	1,717	2,098	1,265	1,291	1,046	1,314	917	795
Culture and recreation	783	890	712	855	1,105	913	653	250
Interest on long-term debt	203	144	180	220	299	223	51	40
Total governmental activities	<u>7,206</u>	<u>6,628</u>	<u>5,562</u>	<u>5,512</u>	<u>4,615</u>	<u>5,205</u>	<u>3,698</u>	<u>2,887</u>
Business-type activities								
Waste water treatment facilities	922	1,071	802	976	973	1,005	889	570
Total business-type activities	<u>922</u>	<u>1,071</u>	<u>802</u>	<u>976</u>	<u>973</u>	<u>1,005</u>	<u>889</u>	<u>570</u>
Total primary government expenses	<u>8,128</u>	<u>7,699</u>	<u>6,364</u>	<u>6,488</u>	<u>5,588</u>	<u>6,210</u>	<u>4,587</u>	<u>3,457</u>
<b>Program Revenues</b>								
Governmental activities								
Charges for services:								
General government	361	371	254	350	467	2,108	177	166
Public safety	485	580	624	610	117	182	175	23
Culture and recreation	13	17	11	13	17	18	13	1
Operating grants and contributions	73	314	26	463	310	147	-	23
Capital grants and contributions	90	-	-	-	7	-	284	687
Total governmental activities program revenues	<u>1,022</u>	<u>1,282</u>	<u>915</u>	<u>1,436</u>	<u>918</u>	<u>2,455</u>	<u>649</u>	<u>900</u>
Business-type activities								
Charges for Services								
Waste water treatment facilities	115	128	126	117	131	127	103	116
Capital grants and contributions	-	-	-	28	81	154	612	2,090
Total business-type activities program revenues	<u>- 115</u>	<u>128</u>	<u>126</u>	<u>145</u>	<u>212</u>	<u>281</u>	<u>715</u>	<u>2,206</u>
Total primary government total revenues	<u>1,137</u>	<u>1,410</u>	<u>1,041</u>	<u>1,581</u>	<u>1,130</u>	<u>2,736</u>	<u>1,364</u>	<u>3,106</u>

Information available for eight years.



# CHANGE IN NET ASSETS LAST EIGHT FISCAL YEARS

(accrual basis of accounting)  
(in thousands)

	FISCAL YEAR							
	2011	2010	2009	2008	2007	2006	2005	2004
Net (expense)/revenue:								
Governmental activities	\$ (6,184)	\$ (5,346)	\$ (4,647)	\$ (4,076)	\$ (3,697)	\$ (2,750)	\$ (3,049)	\$ (1,987)
Business-type activities	(807)	(943)	(676)	(831)	(761)	(724)	(174)	1,636
Total primary government net revenue (expense)	(6,991)	(6,289)	(5,323)	(4,907)	(4,458)	(3,474)	(3,223)	(351)
<b>General Revenues and Other Changes</b> <b>in Net Assets</b>								
Governmental activities								
Taxes:								
Property	2,500	2,388	2,357	2,359	2,058	2,487	2,404	1,302
Sales	2,871	2,851	2,480	1,676	1,730	697	835	823
Video Poker	560	593	577	625	640	597	530	515
Franchise	-	-	-	-	-	-	44	130
Other	48	40	44	54	45	43	41	41
Unrestricted grants and contributions	198	223	920	205	172	142	21	11
Investment earnings	2	1	4	26	49	11	5	2
Donation	-	350	-	-	-	-	-	-
Proceeds from insurance	310	-	-	-	-	-	-	-
Gain on sale of capital assets	-	-	-	100	-	-	-	-
Transfers to other funds	(800)	(660)	(660)	(725)	(775)	(700)	(380)	(317)
Total governmental activities general revenues	5,689	5,786	5,722	4,320	3,919	3,277	3,500	2,507
Business-type activities								
Unrestricted grants and contributions	-	-	-	4	5	2	-	-
Investment earnings	-	-	-	1	1	-	-	1
Special Item-loss	-	-	-	-	-	-	(60)	-
Transfers from other funds	800	660	660	725	775	700	380	317
Total business-type activities general revenues	800	660	660	730	781	702	320	318
Total primary government general revenues	6,489	6,446	6,382	5,050	4,700	3,979	3,820	2,825
<b>Change in Net Assets</b>								
Governmental activities	(495)	440	1,075	244	222	527	451	520
Business-type activities	(7)	(283)	(16)	(101)	20	(22)	146	1,954
Total primary government net revenue (expense)	\$ (502)	\$ 157	\$ 1,059	\$ 143	\$ 242	\$ 505	\$ 597	\$ 2,474

Information available for eight years.

**CITY OF ST. GABRIEL, LOUISIANA**  
**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**

(accrual basis of accounting)  
(in thousands)

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Sales Taxes</u>	<u>Video Poker fees</u>	<u>Franchise Taxes</u>	<u>Other Taxes</u>	<u>Total</u>
2011	\$ 2,500	\$ 2,872	\$ 560	\$ -	\$ 48	\$ 5,980
2010	2,388	2,851	593	-	40	5,872
2009	2,356	2,480	577	-	44	5,457
2008	2,358	1,676	625	-	54	4,713
2007	2,059	1,730	640	-	45	4,474
2006	2,485	697	597	-	43	3,822
2005	2,400	835	530	44	41	3,850
2004	1,301	823	515	130	41	2,810
2003	1,191	844	528	133	45	2,741
2002	1,157	1,063	540	122	45	2,927

**CITY OF ST. GABRIEL, LOUISIANA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)  
(in thousands)

Fiscal Year	GENERAL FUND				ALL OTHER GOVERNMENTAL FUNDS			
	Nonspendable	Restricted	Unrestricted	Total	Committed	Restricted	Total all other Governmental Funds	
2011	\$ 85	\$ 1,552	\$ 588	\$ 2,225	\$ 172	\$ 134	\$ 306	

Fiscal Year	GENERAL FUND			ALL OTHER GOVERNMENTAL FUNDS			
	Reserved	Unreserved	Total	Reserved*	Unreserved Reported in Special Revenue Funds	Unreserved Reported in Capital Project Funds	Total all other Governmental Funds
2010	\$ -	\$ 40	\$ 40	\$ -	\$ 2,813	\$ 41	\$ 2,854
2009	-	129	129	137	2,243	41	2,421
2008	-	90	90	139	1,172	-	1,311
2007	-	47	47	14	971	68	1,053
2006	-	560	560	6	700	139	845
2005	-	125	125	9	428	131	568
2004	-	184	184	-	318	40	358
2003	-	91	91	-	622	37	659
2002	-	45	45	-	851	1	852

\*Debt Service Funds.

All fund balances in Debt Service Funds are reserved to pay future debt service.

**NOTE:**

Due to the implementation of GASB 54 on a prospective basis in 2011 and increases to beginning restricted net assets resulting from the application of existing accounting principles, the illustrated comparisons of the City's prior year government wide net assets and governmental fund balances presented will not represent actual changes.

**CITY OF ST. GABRIEL, LOUISIANA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)  
(in thousands)

	FISCAL YEAR			
	2011	2010	2009	2008
<b>REVENUES</b>				
Taxes	\$ 5,413	\$ 5,279	\$ 4,880	\$ 4,088
Intergovernmental	655	1,067	1,411	1,262
Licenses and permits	265	287	180	208
Fines	485	580	624	610
Miscellaneous revenues	385	166	205	212
Total revenues	<u>7,203</u>	<u>7,379</u>	<u>7,300</u>	<u>6,380</u>
<b>EXPENDITURES</b>				
Current				
General government	2,309	1,983	1,757	1,957
Public safety	1,842	1,657	1,555	1,380
Streets and sanitation	1,676	1,881	1,043	1,238
Culture and recreation	652	753	530	687
Debt service				
Principal retirement	78	213	246	168
Interest and bank charges	195	238	207	220
Capital outlay	474	-	153	6
Total expenditures	<u>7,226</u>	<u>6,725</u>	<u>5,491</u>	<u>5,656</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23)</u>	<u>654</u>	<u>1,809</u>	<u>724</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	-	300
Long-term debt proceeds	151	-	-	-
Proceeds from insurance	310	-	-	-
Donation	-	350	-	-
Transfers in	719	2,995	2,411	2,311
Transfers out	(1,519)	(3,655)	(3,071)	(3,036)
Total other financing sources and uses	<u>(339)</u>	<u>(310)</u>	<u>(660)</u>	<u>(425)</u>
Net change in fund balances	<u>\$ (362)</u>	<u>\$ 344</u>	<u>\$ 1,149</u>	<u>\$ 299</u>
Debt service as a percentage of noncapital expenditures	4.0%	6.7%	8.5%	6.9%

Exhibit D-5  
(Continued)

FISCAL YEAR					
2007	2006	2005	2004	2003	2002
\$ 3,834	\$ 3,225	\$ 3,320	\$ 2,295	\$ 2,213	\$ 2,387
1,300	2,566	828	1,247	853	847
169	197	139	127	106	127
117	181	174	23	9	7
189	231	68	32	50	91
<u>5,609</u>	<u>6,400</u>	<u>4,529</u>	<u>3,724</u>	<u>3,231</u>	<u>3,459</u>
1,423	1,552	1,054	958	897	971
1,117	1,092	1,240	793	741	805
969	1,255	830	718	779	992
819	706	603	232	312	297
490	245	134	133	19	-
299	235	51	41	6	-
-	160	1,254	4,464	1,424	388
<u>5,117</u>	<u>5,245</u>	<u>5,166</u>	<u>7,339</u>	<u>4,178</u>	<u>3,453</u>
492	1,155	(637)	(3,615)	(947)	6
-	-	-	-	-	-
65	401	1,167	3,725	1,100	-
-	-	-	-	-	-
-	-	-	-	-	-
1,909	1,462	2,107	1,352	1,273	1,501
<u>(2,684)</u>	<u>(2,162)</u>	<u>(2,487)</u>	<u>(1,670)</u>	<u>(1,573)</u>	<u>(2,133)</u>
<u>(710)</u>	<u>(299)</u>	<u>787</u>	<u>3,407</u>	<u>800</u>	<u>(632)</u>
<u>\$ (218)</u>	<u>\$ 856</u>	<u>\$ 150</u>	<u>\$ (208)</u>	<u>\$ (147)</u>	<u>\$ (626)</u>
15.4%	9.4%	4.7%	6.1%	0.9%	0.0%

**CITY OF ST. GABRIEL, LOUISIANA**  
**TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)  
(in thousands)

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Sales Taxes</u>	<u>Franchise Taxes</u>	<u>Other Taxes</u>	<u>Total</u>
2011	\$ 2,500	\$ 2,872	\$ -	\$ 42	\$ 5,414
2010	2,388	2,851	-	40	5,279
2009	2,356	2,480	-	44	4,880
2008	2,358	1,676	-	54	4,088
2007	2,059	1,730	-	45	3,834
2006	2,485	697	-	43	3,225
2005	2,400	835	44	41	3,320
2004	1,301	823	130	41	2,295
2003	1,191	844	133	45	2,213
2002	1,157	1,063	122	45	2,387

**CITY OF ST. GABRIEL, LOUISIANA**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

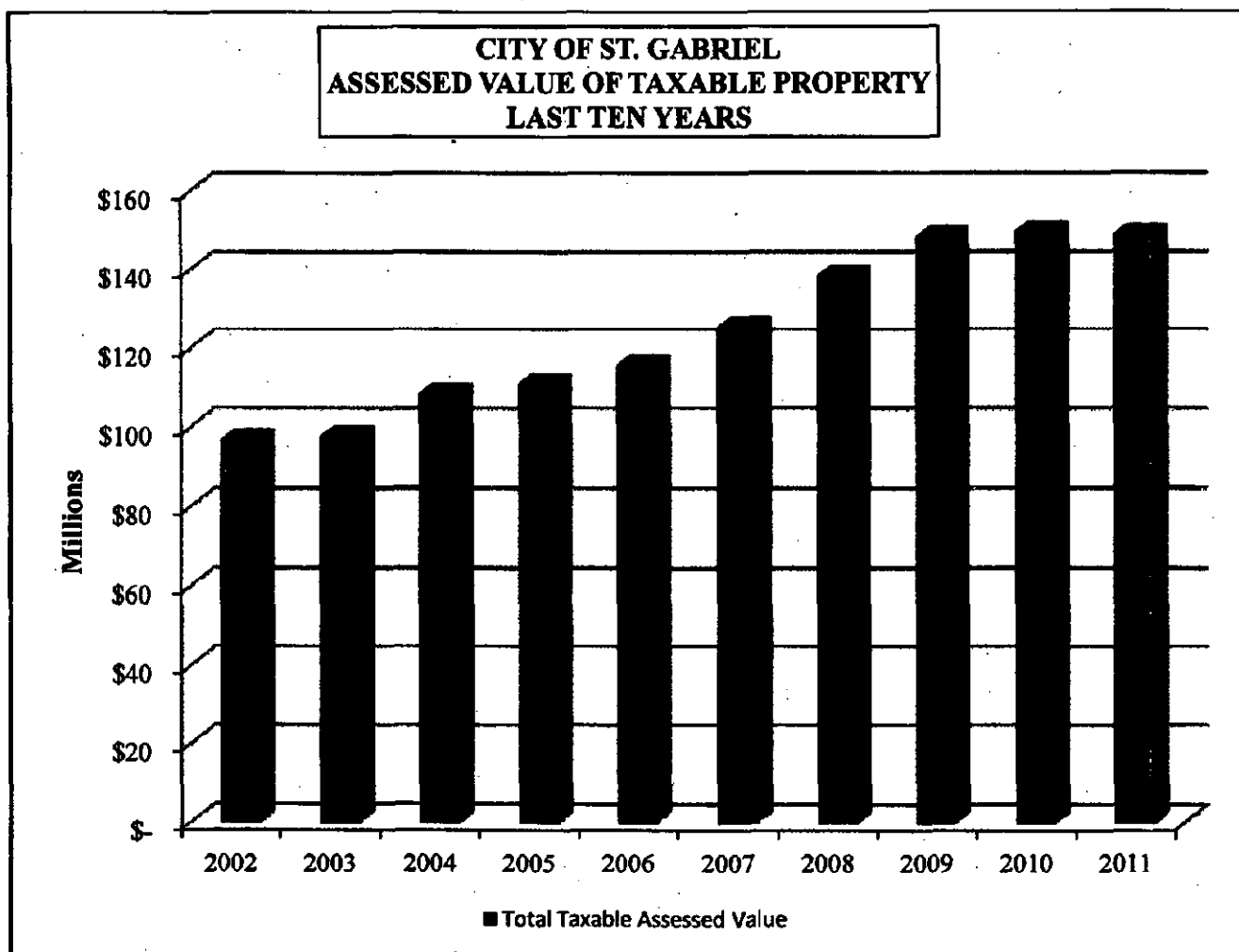
Fiscal Year	Real Property	Personal Property	Public Service Property	Total Taxable Assessed Value	Total Direct Tax Rate - Millages	Estimated Actual Value	Ratio of Total Taxable Assessed Value to Total Estimated Actual Value*
2011	\$ 17,330,640	\$ 91,579,460	\$ 39,893,520	148,803,620	16.84	\$ 148,803,620	100%
2010	17,032,126	93,676,690	38,695,794	149,404,610	15.88	\$ 149,404,610	100%
2009	16,895,260	92,958,025	38,314,350	148,167,635	15.88	\$ 148,167,635	100%
2008	12,086,572	88,689,660	37,402,420	138,178,652	16.84	\$ 138,178,652	100%
2007	10,920,522	78,886,150	35,344,300	125,150,972	16.84	\$ 125,150,972	100%
2006	9,606,132	72,270,265	33,777,785	115,654,182	21.73	\$ 115,654,182	100%
2005	9,205,452	70,287,085	31,359,220	110,851,757	21.73	\$ 110,851,757	100%
2004	8,987,440	67,597,655	31,745,270	108,330,365	12.00	\$ 108,330,365	100%
2003	9,135,070	57,698,050	30,686,050	97,519,170	12.00	\$ 97,519,170	100%
2002	8,713,220	57,347,273	30,311,410	96,371,903	12.00	\$ 96,687,898	100%

Source: City of St. Gabriel

\*Actual Valuation (Market Value) as Compared to Assessed Valuation

Residential properties are assessed at 10% of fair market value; other property and electric cooperative properties, excluding land are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value. The overall assessed value is estimated to be 14 - 15% if actual market value. Information regarding real property, personal property, and public service property only available for 2006-2009.

**CITY OF ST. GABRIEL, LOUISIANA**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN CALENDAR YEARS**





**CITY OF ST. GABRIEL, LOUISIANA**  
**PROPERTY TAX RATES AND TAX LEVIES**  
**DIRECT GOVERNMENTS**  
**LAST TEN CALENDAR YEARS**

Fiscal Year	City of St. Gabriel		Overlapping Rates					Total Direct and Overlapping Rates
	Operating & Public Improvements	Total City Millage	Law Enforcement	School Board	Iberville Parish Government	Assessment District	Levee District	
2011	16.84	16.84	22.00	56.66	21.18	2.06	3.67	122.41
2010	15.88	15.88	22.00	56.66	19.84	2.06	3.67	120.11
2009	15.88	15.88	22.00	56.66	19.84	2.06	3.67	120.11
2008	16.84	16.84	22.00	39.27	22.68	2.06	3.74	106.59
2007	16.84	16.84	22.00	39.27	22.68	2.06	3.74	106.59
2006	21.73	21.73	22.00	39.27	22.68	2.06	3.74	111.48
2005	21.73	21.73	22.00	39.27	22.68	2.06	3.74	111.48
2004	12.00	12.00	22.00	39.27	22.68	1.98	3.74	101.67
2003	12.00	12.00	22.00	39.27	22.68	2.06	3.74	101.75
2002	12.00	12.00	22.00	40.27	22.68	2.06	3.74	102.75

The tax levies represent the original levy of the Assessor and exclude the homestead exemption amounts.

All taxes are billed when assessment rolls are filed during the month of November of the current tax year. Taxes become delinquent on January 1 of the following year. Penalty for delinquent taxes is 1% per month. No discounts are allowed for taxes, and there is no provision for partial payments.

Source: Audited financial statements of each municipality shown above.

## CITY OF ST. GABRIEL, LOUISIANA

PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Type of Business	2011			2002		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Entergy Gulf States	Energy	\$ 33,857,410	1	22.74%	28,760,060	1	29.84%
Syngenta Crop Protection	Chemical	27,122,151	2	18.22%	17,125,805	2	17.77%
Cos Mar Company	Chemical	18,030,100	3	12.11%	15,223,580	3	15.80%
Ineos Fluor Americas	Chemical	9,365,440	4	6.29%	2,161,795	8	2.24%
Total Petrochemicals USA	Chemical	7,071,900	5	4.75%			0.00%
PCS Nitrogen Fertilizer	Chemical	3,556,400	6	2.39%	3,245,630	6	3.37%
Pioneer Americas, LLC	Chemical	3,374,331	7	2.27%	3,374,940	5	3.50%
Taminco Higher Amines	Chemical	3,181,400	8	2.14%			0.00%
St. Gabriel Holdings	Real Estate	2,897,280	9	1.95%			0.00%
Petrologistics Choctaw	Oil/Gas	2,505,629	10	1.68%			0.00%
Fina Oil & Chemical	Oil/Gas	-		-	4,332,210	4	4.50%
Air Products & Chemicals	Chemical	-		-	2,256,220	7	2.34%
CIBA Specialty Chem	Chemical	-		-	1,937,400	9	2.01%
Greif Brother, Inc.	Manufacturing	-		-	922,580	10	0.96%
		<u>\$110,962,041</u>		<u>74.52%</u>	<u>\$ 79,340,220</u>		<u>82.33%</u>

Source: Iberville Parish Assessor's Office

**CITY OF ST. GABRIEL, LOUISIANA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN YEARS**

Year	(1) Total Tax Levy	(1) Collections	Percent of Levy Collected	(1) Prior Year Tax Collections	(1) Total Tax Collections	Ratio of Total Collections to Tax Levy
2011	\$ 2,507,413	\$ 2,476,747	98.78%	\$ 22,838	\$ 2,499,585	99.69%
2010	2,387,528	2,381,105	99.73%	7,372	2,388,477	100.04%
2009	2,352,906	2,336,374	99.30%	20,492	2,356,866	100.17%
2008	2,326,928	2,321,256	99.76%	37,684	2,358,940	101.38%
2007	2,107,242	2,058,494	97.69%	39,444	2,097,938	99.56%
2006	2,489,824	2,486,589	99.87%	-	2,486,589	99.87%
2005	2,411,798	2,403,836	99.67%	-	2,403,836	99.67%
2004	1,299,964	1,297,281	99.79%	4,222	1,301,503	100.12%
2003	1,207,345	1,191,258	98.67%	-	1,191,258	98.67%
2002	1,156,463	1,121,858	97.01%	34,230	1,156,088	99.97%

(1) City of St. Gabriel

## CITY OF ST. GABRIEL, LOUISIANA

SALES TAX REVENUES  
LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>1% City Public</u>	<u>2% Public Infrastructure and Maintenance</u>	<u>Total</u>
2011	\$ 1,059,487	\$ 1,812,069	\$ 2,871,556
2010	1,027,086	1,824,387	2,851,473
2009	814,745	1,665,155	2,479,900
2008	510,362	1,165,513	1,675,875
2007	497,608	1,232,889	1,730,497
2006	481,121	216,302	697,423
2005	555,562	281,094	836,656
2004	548,183	275,242	823,425
2003	488,671	355,278	843,949
2002	845,834	217,668	1,063,502

The following is a summary of sales and use taxes being collected within the City of St. Gabriel as of June 30, 2011:

Iberville Parish School Board	2.00%
Parish of Iberville	2.67%
City of St. Gabriel	<u>1.00%</u>
Local Rate	5.67%
State Rate	<u>4.00%</u>
Total Rate	<u>9.67%</u>

The Parish of Iberville collects the 2.67% sales and use tax which is shared with certain municipalities on a pro-rata basis based on population. The City of St. Gabriel participates in the collection of 2% of this tax and is excluded from the .67% tax collected parishwide. The City began participating in the 2% sales and use tax in 2002.

Source: Iberville Parish Sales Tax Department

**CITY OF ST. GABRIEL, LOUISIANA**  
**TAXABLE SALES BY CATEGORY - GENERAL SALES AND USE TAX**  
**LAST FOUR FISCAL YEARS (1)**  
(modified accrual basis of accounting)

Industry	FISCAL YEAR			
	2010	2009	2008	2007
Manufacturer of chemicals	\$ 555,260,810	\$ 451,722,558	\$ 63,896,513	\$ 383,428,833
Industrial equipment sales	57,494,719	44,812,120	38,473,171	49,692,665
Motor vehicle dealers	47,570,749	49,300,031	43,511,789	55,019,311
Department stores & dry goods	37,657,428	39,397,302	35,155,751	38,075,149
Grocery stores	37,314,861	36,151,634	33,179,640	30,518,673
Lumber, building materials stores	21,878,034	28,460,909	23,271,228	25,975,932
Miscellaneous - others	90,009,390	99,475,828	105,688,605	136,057,691
	<u>\$ 847,185,991</u>	<u>\$ 749,320,382</u>	<u>\$ 343,176,697</u>	<u>\$ 718,768,254</u>

Source: Relevant information was not available for the City of St. Gabriel. Data presented is for the Iberville Parish Government

(1) Data not available for 2011 and 2006-2002

## CITY OF ST. GABRIEL, LOUISIANA

RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS(full accrual basis of accounting)  
(in thousands, except per capita amount)

Fiscal Year	Governmental Activities Debt			Business-Type Debt		(1)	(2)	(2)
	Certificate of Indebtedness	Public Improvement Bonds	Capital Leases	Revenue Bonds		Total Primary Government	Percentage of Personal Income	Debt Per Capita
2011	\$ -	\$ 4,581	\$ -	\$ 2,990		\$ 7,571	N/A	\$ 1,131
2010	-	4,501	8	3,041		7,550	N/A	1,352
2009	183	4,556	61	3,126		7,926	0.77%	1,422
2008	357	4,628	109	3,177		8,271	0.89%	1,476
2007	773	4,679	173	3,250		8,875	1.03%	1,583
2006	675	4,737	263	3,315		8,990	1.04%	1,625
2005	828	4,559	284	3,368		9,039	1.10%	1,633
2004	973	3,725	-	2,969		7,667	1.09%	1,373
2003	1,100	-	-	1,947		3,047	0.73%	890
2002	-	-	-	1,763		1,763	0.51%	0

(1) City of St. Gabriel

(2) Bureau of Economic Analysis for Iberville Parish. Information for 2011 and 2010 is unavailable.

## CITY OF ST. GABRIEL, LOUISIANA

## COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

June 30, 2011

(in thousands)

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>(2) Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City direct debt	\$ 4,581	100%	\$ 4,581
<u>Overlapping -other government agencies (1):</u>			
Iberville Parish School Board (3)	\$ 38,785	29%	\$ 11,248
Iberville Parish Government (4)	21,584	29%	6,259
Total other government agencies	\$ 60,369		\$ 17,507
Total direct and overlapping			\$ 22,088
2011 population estimate			6,700
Per capita			\$ 3.297

(1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. The schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of St. Gabriel. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(2) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the Parish's taxable assessed value that is within the City's boundaries and dividing it by the Parish's taxable assessed value.

(3) Source: 2010 general purpose financial statements

(4) Source: 2010 comprehensive annual financial report

**CITY OF ST. GABRIEL, LOUISIANA**  
**LEGAL DEBT MARGIN CALCULATION**  
**LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Assessed Value</u>	<u>Any One Purpose</u>	<u>Aggregate All Purposes (1)</u>	<u>Debt Outstanding (2)</u>	<u>Legal Debt Margin</u>	<u>Legal Debt Margin to Aggregate Debt Limit</u>
2011	\$ 148,896,250	\$ 14,889,625	\$ 52,113,688	\$ -	\$ 52,113,688	0.00%
2010	149,404,610	14,940,461	52,291,614	-	52,291,614	0.00%
2009	148,167,635	14,816,764	51,858,672	-	51,858,672	0.00%
2008	138,178,652	13,817,865	48,362,528	-	48,362,528	0.00%
2007	125,150,972	12,515,097	43,802,840	-	43,802,840	0.00%
2006	114,580,102	11,458,010	40,103,036	-	40,103,036	0.00%
2005	110,989,362	11,098,936	38,846,277	-	38,846,277	0.00%
2004	108,330,365	10,833,037	37,915,628	-	37,915,628	0.00%
2003	97,519,170	9,751,917	34,131,710	-	34,131,710	0.00%
2002	96,371,903	9,637,190	33,730,166	-	33,730,166	0.00%

Source: City of St. Gabriel Financial Reports

- (1) Legal debt limit is 35% of the total assessed value of taxable property (10% of the assessed value of taxable property for any one purpose)
- (2) There was no indebtedness secured by ad valorem taxes.



## CITY OF ST GABRIEL, LOUISIANA

## PLEDGED REVENUE COVERAGE

## LAST TEN FISCAL YEARS

(full accrual basis of accounting)

## SCHEDULE A - REVENUE BONDS-SALES TAX-CIVIC CENTER OPERATION FUND

Year	(1) Gross Revenue	Expenses	Available for Debt Service	(4) Debt Service Requirements			Coverage
	Principal			Interest	Total		
2011	\$ 1,059,487	\$ -	\$ 1,059,487	\$ 70,699	\$ 202,445	\$ 273,144	3.88
2010	978,468	-	978,468	55,406	208,738	264,144	3.70
2009	814,745	-	814,745	53,039	211,105	264,144	3.08
2008	510,362	230	510,132	50,772	213,372	264,144	1.93
2007	497,608	-	497,608	48,603	215,541	264,144	1.88
2006	481,121	-	481,121	-	-	-	-
2005	555,562	-	555,562	-	-	-	-
2004	548,183	-	548,183	-	-	-	-

## SCHEDULE B - REVENUE BONDS - SEWER REVENUES - SEWER FUND

Year	(2) Gross Revenue	(3) Expenses	Available for Debt Service	(5) Debt Service Requirements			Coverage
				Principal	Interest	Total	
2011	\$ 915,004	\$ 510,690	\$ 404,314	\$ 43,498	\$ 135,258	\$ 178,756	2.26
2010	788,437	655,286	133,151	73,842	135,392	209,234	0.64
2009	786,266	414,091	372,175	70,520	138,388	208,908	1.78
2008	846,364	571,902	274,462	72,277	136,018	208,295	1.32
2007	912,094	566,586	345,508	64,632	144,065	208,697	1.66
2006	828,665	588,526	240,139	53,714	167,466	221,180	1.09
2005	482,744	533,440	(50,696)	44,472	167,321	211,793	(0.24)
2004	434,170	321,693	112,477	41,834	89,538	131,372	0.86
2003	415,879	409,150	6,729	16,373	80,801	97,174	0.07
2002	771,415	322,576	448,839	5,924	40,162	46,086	9.74

1 City of St. Gabriel 1% sales and use tax

2 Sewer revenues and transfers from other tax funds

3 Total expenses less payments toward debt service and depreciation

4 The City began retiring this debt in 2007

**CITY OF ST. GABRIEL, LOUISIANA**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN CALENDAR YEARS**

Year	(1) Iberville Parish Population	(1) City of St. Gabriel Population	(2) Personal Income	(2) Per Capita Personal Income	(3) Unemployment Rate	(4) Labor Market Area Unemployment Rate
2011	33,387	6,700	N/A	N/A	11.6	8.4
2010	33,387	6,677	N/A	N/A	10.4	8.5
2009	32,505	5,546	1,035,320,000	31,851	9.8	7.4
2008	32,899	5,583	1,001,083,671	30,429	7.8	4.8
2007	32,915	5,572	933,897,295	28,373	5.3	4.6
2006	32,885	5,605	860,731,990	26,174	4.8	4.8
2005	32,180	5,534	824,644,680	25,626	7.9	6.2
2004	32,332	5,560	741,599,084	22,937	8.8	7.1
2003	32,734	5,586	703,060,852	21,478	8.4	8.0
2002	33,031	5,607	687,342,079	20,809	7.5	6.8

## Source:

- (1) U.S. Department of Commerce, Bureau of the Census. 2011 data not available.
- (2) Bureau of Economic Analysis, information is for Parish of Iberville, information for 2011 and 2010 not available. Parishwide per capita income used.
- (3) Louisiana Workforce Commission, Research and Statistics Division, information is for Parish of Iberville.
- (4) U.S. Department of Labor, Bureau of Labor Statistics

**CITY OF ST. GABRIEL, LOUISIANA**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Employer	2011 (1)	
	Number of Employees	Percent of Total
Syngenta	885	14.75%
Louisiana Correctional Institute for Women	762	12.70%
Elayn Hunt Correctional Center	526	8.77%
Gillis W. Long Center	300	5.00%
Total Petrochemicals USA, Inc.	244	4.07%
Pioneer Americas, LLC	120	2.00%
PCS Nitrogen Fertilizer	136	2.27%
Cos Mar Company	89	1.48%
City of St. Gabriel	87	1.45%
Mexichem Fluor Inc.	68	1.13%
	<u>2,332</u>	<u>38.87%</u>

(1) Data for 2002, or nine years ago, was not available.

**CITY OF ST. GABRIEL, LOUISIANA**  
**FULL-TIME EQUIVALENT CITY EMPLOYEES**  
**BY FUND/DEPARTMENT**  
**LAST TEN FISCAL YEARS**

	Full-time Equivalent Employees Allotted in Annual Budget									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Government	12	13	12	12	11	13	13	13	14	14
Police Department	22	22	21	21	18	17	15	15	14	18
Fire Department	8	7	10	7	5	6	7	7	7	6
Street Maintenance	19	11	15	9	15	17	17	17	16	16
Building	3	3	4	6	1	1	1	1	1	3
Social Services	3	3	3	7	6	8	12	12	12	10
Sewer	7	7	9	9	9	8	7	7	7	7
Civic Center	6	8	8	5	8	8	-	-	-	-
Code Enforcement	7	4	4	2	-	-	-	-	-	-
Total employees	87	78	86	78	73	78	72	72	71	74

Source: City of St. Gabriel

**CITY OF ST. GABRIEL**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

	FISCAL YEAR									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Function:</b>										
Public Safety:										
Police:										
Physical arrests	156	148	113	135	148	183	94	166	189	156
Traffic violations	4,144	3,867	4,160	4,067	780	1,213	1,167	N/A	N/A	N/A
Public Works:										
Building Permits:										
Residential (new)	50	34	17	26	78	N/A	N/A	N/A	N/A	N/A
Commercial	4	5	7	31	22	N/A	N/A	N/A	N/A	N/A
Transportation:										
Parish street maintenance program:										
Number of miles maintained	17	17	17	17	17	17	17	17	17	17
Number of bridges	4	4	4	4	4	4	4	4	4	4
Sanitation:										
Wastewater:										
Number of users	789	751	690	688	348	343	339	210	212	214
Monthly flat fee	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15
Drainage:										
Miles of drainage ditches maintained	35	35	35	35	35	35	35	35	35	35
Culture-Recreation:										
Parks:										
Number of parks maintained	4	4	4	4	4	4	4	3	3	3

Source: City of St. Gabriel Government and [www.city-data.com](http://www.city-data.com)

Crime statistics not available for 2010.

Traffic violation information not available for 2004 to 2002.

Permit information not available for 2010 and 2006 to 2002.

**CITY OF ST. GABRIEL**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

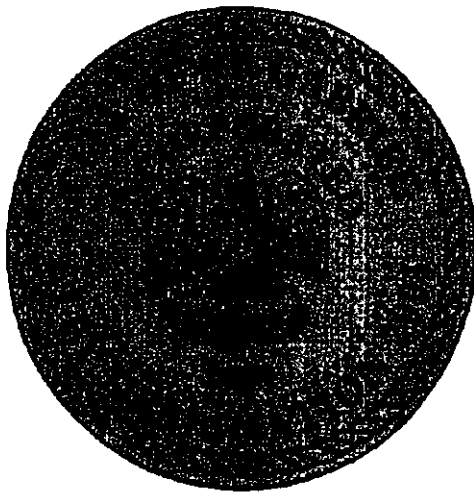
Major Programs	FISCAL YEAR									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Government:										
Number of general government buildings	3	3	3	3	3	2	1	1	1	1
Number of vehicles	12	12	11	11	5	5	5	5	5	4
Public Safety:										
Police:										
Number of vehicles	25	21	19	15	15	17	17	14	13	10
Number of stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Number of stations	3	3	3	3	3	3	3	3	3	3
Number of vehicles	3	3	3	3	3	3	3	3	3	3
Streets and Sanitation:										
Number of vehicles	22	22	22	22	20	19	19	19	17	17
Miles of streets	17	17	17	17	17	17	17	17	17	17
Number of bridges	4	4	4	4	4	4	4	4	4	4
Sewer:										
Number of sanitary sewer systems	3	3	3	3	3	3	3	2	2	2
Culture and Recreation										
Number of parks	4	4	4	4	4	4	4	3	3	3
Number of community centers	1	1	1	1	1	1	1	0	0	0
Number of vehicles	8	8	8	8	8	8	8	8	8	7

Source: City of St. Gabriel



# City of St. Gabriel, Louisiana

## Special Independent Auditors' Reports





**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS**

To the Honorable Mayor and  
City Council Members  
City of St. Gabriel, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of St. Gabriel, Louisiana, as of and for the year ended June 30, 2011, which collectively comprise the City of St. Gabriel, Louisiana's basic financial statements and have issued our report thereon dated January 27, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City of St. Gabriel's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of St. Gabriel, Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of St. Gabriel, Louisiana's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal controls over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses [2011-5 and 2011-6].

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies [2011-1, 2011-2, 2011-3, and 2011-4].

### **Compliance and Other matters**

As part of obtaining reasonable assurance about whether the City of St. Gabriel's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have had a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not the objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2011-7, 2011-8, and 2011-9.

The City of St. Gabriel, Louisiana's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit City of St. Gabriel, Louisiana's response and, accordingly, we express no opinion on it.

This report is intended for the information of the Board of Aldermen, management of the City of St. Gabriel, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Postlethwaite & Nettville*

January 27, 2012

**CITY OF ST. GABRIEL, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2011**

**A. SUMMARY OF AUDITORS' RESULTS**

*Financial Statements*

Type of auditor's report issued: Unqualified

*Internal Control over Financial Reporting:*

- Material weakness(es) identified? ☒ yes ☐ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☒ yes ☐ none reported

Noncompliance material to financial statements noted? ☒ yes ☐ no

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

**2011-1 Legislative Audit Advisory Services Report (Unresolved)**

**Observation:** In September 2009, the Louisiana Legislative Auditor issued an advisory services report relating to the best practices review of City operating practices. The report outlined deficiencies in operations, opportunities to enhance procedures and recommendations for corrective action.

**Financial Management**

Unresolved matters from 2010 were as follows:

1. Noncompliance with revenue bond agreements

**Recommendation:** The City should implement the recommendations made to ensure timely deposits are made in accordance with the bond agreements.

**Management's corrective action plan:** Management has implemented the following:

- **Noncompliance with revenue bond agreements.** Management fully funded the reserve accounts in December 2011, and will make timely deposits in accordance with the bond agreements.

**CITY OF ST. GABRIEL, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2011**

**B. FINDINGS – FINANCIAL STATEMENT AUDIT (continued)**

**2011-1 Legislative Audit Advisory Services Report (Unresolved) (continued)**

**Controls over payroll (Resolved)**

Unresolved matters from 2010 were as follows:

1. Overtime payments not approved.

**Recommendation:** The City should ensure that overtime is properly approved by an authorized individual of the City.

**Management's corrective action plan:** Management intends to utilize overtime approval forms in existence to monitor and authorize overtime for all employees.

**2011-2 Delinquent Sewer Accounts**

**Condition:** As reported in previous audit findings, the City has a significant amount of unpaid and delinquent sewer utility service receivables. Additionally, certain delinquent balances were reported as owed by some City employees. Furthermore, the City was not timely filing sworn statements on delinquent accounts with the Parish clerk of court. Finally, all customer receivable adjustments were approved by the City Clerk.

**Criteria:** Sewer Fees should be collected timely to avoid delinquent status.

**Effect:** Efforts in collecting fees for sewer services have not been successful.

**Cause:** The City does not have adequate controls in place to effectively monitor the billing and collections of unpaid accounts.

**Recommendation:** The City should consider implementing the Legislative Auditor's recommendations.

**CITY OF ST. GABRIEL, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2011**

**B. FINDINGS – FINANCIAL STATEMENT AUDIT (continued)**

**2011-2 Delinquent Sewer Accounts (continued)**

**Management's corrective action plan:** The City continues to be diligent with efforts associated with collecting fees for providing sewer services; however, the desired results have not been achieved, which is the ultimate collection of the delinquent receivables. The City has initiated a water service cut-off process with the Iberville Parish Water District #2, but no favorable results have been experienced yet. The City initiated correspondence to delinquent sewer users during 2010 that discussed the City's intent to file liens and file reports with major credit bureaus for their failure to maintain a current account with the City. The City is also involving legal counsel in pursuit of this matter.

**2011-3 Segregation of Duties**

**Condition:** There is inadequate segregation of duties within the City's accounting department. The following was observed:

- Individuals who process bills are not independent of the collection function.
- An individual who prepares deposits also maintains the cash receipts ledger and posts entries to the general ledger.
- Wire transfers are not limited to specific bank accounts held by the City and there is a lack of approval process.

**Criteria:** Segregation of duties should be adequate within the City's accounting department to provide effective internal control.

**Effect:** The segregation of duties is inadequate to provide effective internal control over collections.

**Cause:** The City's staff is insufficient to properly segregate duties within the accounting department.

**Recommendation:** The City has an independent CPA firm to assist its accounting department. We found that duties are divided between the CPA firm and the City personnel so that internal controls are enhanced. However, it is still noted that the City's size may make it unfeasible to adequately staff an accounting department with sufficient segregation of duties.

**Management's corrective action plan:** Management will review this matter in 2012 and continue to pursue adequate segregation of duties.

**CITY OF ST. GABRIEL, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2011**

**B. FINDINGS – FINANCIAL STATEMENT AUDIT (continued)**

**2011-4 Purchase of Prior Retirement Service**

**Condition:** The City purchased retirement credits for the prior mayor in the current year for the service period of January 1994 through December 1996 which included required contributions from the employee and the City. Cost to purchase the credits included employee contributions and interest totaling \$26,735, employer contributions and interest totaling \$17,645, and a residual actuarial cost of \$11,324. The total employee and employer contributions were paid by the City in the amount of \$55,704.

**Criteria:** Such expenditures should be properly approved and authorized by the City Council as well as included in the City's budget. Also, the City should not pay for the employee's share of retirement.

**Effect:** The City has incurred unauthorized expenditures.

**Cause:** The purchase authorization and approval of this expenditure was not properly approved by the City Council, nor was there evidence of a repayment plan by the Mayor to the City.

**Recommendation:** The City should consider legal action to obtain reimbursement for the employee portion the prior service purchased.

**Management's corrective action plan:** Management has reviewed this matter with City legal counsel and will notify the local district attorney regarding this transaction.

**2011-5 Unauthorized/Unapproved Payroll**

**Condition:** On July 1, 2011, the City Manager was paid, in addition to her regular salary, \$6,030 of vacation pay, \$1,326.77 of comp time, and \$4,824.64 of severance pay. It was noted that she had already been paid for vacation time in question in the Payroll Direct Deposit dated April 23, 2010 in the amount of \$6,924.18. Also, proper authorization and adequate documentation supporting the determination of the comp time and severance pay was not provided, nor was this compensation budgeted for.

**Criteria:** Such expenditures should be adequately supported, properly approved, and authorized by the Mayor and/or City Council as well as included in the City's budget.

**CITY OF ST. GABRIEL, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2011**

**B. FINDINGS – FINANCIAL STATEMENT AUDIT (continued)**

**2011-5 Unauthorized/Unapproved Payroll (continued)**

**Effect:** The City paid the City Manager vacation pay for a second time and the City Manager was paid comp time and severance pay without adequate support or proper approval.

**Cause:** This payroll transaction was initiated prior to the new mayor taking office. There was a lack of oversight over payroll through this transition.

**Recommendation:** The City should consult with its attorney and consider legal action to obtain reimbursement for the payments the City Manager received in her last paycheck from the City.

**Management's corrective action plan:** Management has reviewed this matter with City legal counsel and will notify the local district attorney regarding this transaction.

**2011-6 Financial Reporting**

**Condition:** The City maintained a Rural Business Enterprise Grant independent of the City's current operations. An adequate control structure was not properly designed nor implemented to ensure proper and adequate accounting over the financial activity for the grant.

**Criteria:** Internal controls should be properly designed and implemented to ensure adequate record keeping for all aspects of the City's financial reporting process.

**Effect:** The City does not have adequate controls in place to effectively monitor the distribution and collection process of loans provided by the grant.

**Cause:** The City's management did not provide an adequate control structure over the financial reporting process of the grant.

**Recommendation:** The City should properly design and implement control procedures over the financial reporting of the grant to ensure adequate record keeping of the City's grant activity.

**Management's corrective action plan:** Management has contacted the granting agency to determine all compliance and reporting requirements and is actively reviewing current controls over the Rural Business Enterprise Grant funds. Management expects to finalize an action plan and implement corrective actions satisfactory to the granting agency during 2012 that will resolve this matter.

**CITY OF ST. GABRIEL, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2011**

**NON COMPLIANCE WITH STATE LAWS AND REGULATIONS**

**2011-7 Public Bid Law**

**Condition:** The city purchased a generator for the civic center and began a construction project to enhance sidewalks on HWY 75 and is unable to provide adequate support that the City complied with Public Bid Law.

**Criteria:** According to Louisiana Public Bid Law, the City is required to obtain and maintain documentation of at least three telephone or facsimile quotes for purchases in excess of \$10,000 and a public advertisement must be made for all purchases exceeding \$30,000.

**Effect:** The City is not in compliance with bid law.

**Cause:** The City's staff did not maintain adequate support to conclude that the City complied with Public Bid Law.

**Recommendation:** The City should obtain and properly maintain supporting documentation for purchases subject to Public Bid Law.

**Management's corrective action plan:** Management concurs with the finding and plans to compile adequate support for purchases subject to Public Bid Law.

**2011-8 Budget**

**Condition:** Certain expenditures in the General Fund were more than 5% of the amounts budgeted. The unfavorable variance was not addressed when the final budget was prepared in June.

**Criteria:** The City should adhere to the state budget law.

**Effect:** The City had a technical violation where actual revenues and other financing sources were not in compliance with budgeted revenues and expenditures for 2011.

**Recommendation:** The City should maintain its budget within a 5% variance of actual results as stipulated by the budget law.

**Management's corrective action plan:** Management has historically maintained its operating budget within the requirements of the budget law. Certain expenditures were incurred and paid during June and subsequent to the budget hearing. As such, this matter is considered to be an isolated incident and such variances are not expected in the future.



**CITY OF ST. GABRIEL, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2011**

**NON COMPLIANCE WITH STATE LAWS AND REGULATIONS (continued)**

**2011-9 Audit Laws**

**Condition:** The Finance department did not submit financial statements within six months of the close of the entity's fiscal year as a result of additional time needed to perform procedures to adequately support transactions discovered during the audit relating to prior administration.

**Criteria:** LSA-RS24:513 (5)(a) requires the engagement to be completed within six months of the close of the entity's fiscal year.

**Effect:** The City's financial statements were not filed timely.

**Recommendation:** The City should maintain accurate accounting records to ensure that the City is able to submit financial statements within six months of the close of the City's fiscal year.

**Management's corrective action plan:** The City has historically submitted their financial statements timely. As such, this matter is considered to be an isolated incident due to grant matters reported and such variances are not expected in the future.

**CITY OF ST. GABRIEL, LOUISIANA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**YEAR ENDED JUNE 30, 2011**

**A. FINDINGS – FINANCIAL STATEMENT AUDIT**

**2010-1 Legislative Audit Advisory Services Report (Resolved)**

**Observation:** The City resolved certain matters as noted in 2011-1 as of June 30, 2011.

**2010-2 Delinquent Sewer Accounts**

**Observation:** This matter has been reclassified to Item 2011-2.

**2010-3 Traffic Ticket Activity**

**Observation:** This matter has been resolved.

**2010-4 Policies and Procedures**

**Observation:** This matter has been resolved.

**2010-5 Segregation of Duties**

**Observation:** This matter has been reclassified to Item 2011-3.

**2010-6 Louisiana Budget Law**

**Observation:** This matter has been reclassified to Item 2011-8.

## **SPECIAL ACKNOWLEDGEMENTS**

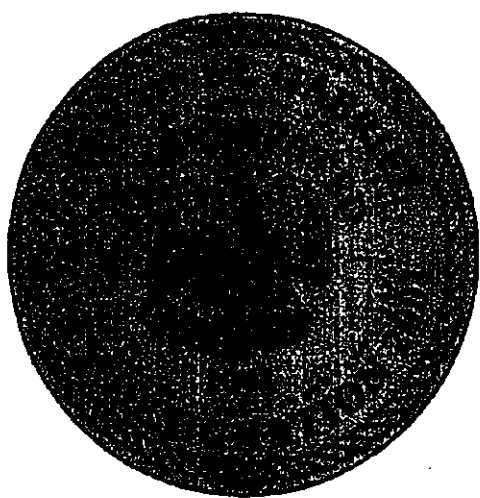
**Leman Raphael  
City Clerk**

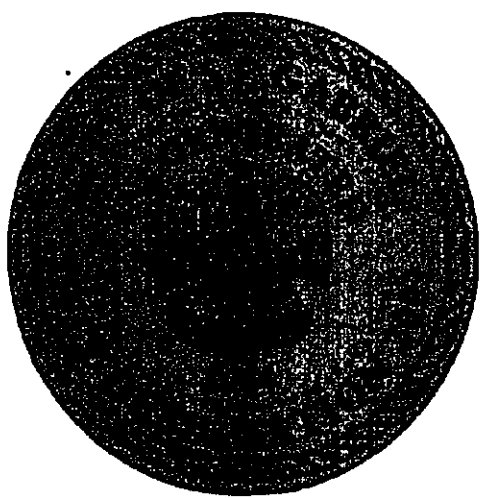
**Tammy Phillips  
Finance Director**

**Linda Gibson  
Accountant**

**Bianca Stewart  
Accountant**

**Janet Madison  
Police Department Manager**







## **CITY OF ST. GABRIEL OFFICIALS**

**LIONEL JOHNSON, JR., MAYOR**

### **CITY COUNCIL MEMBERS**

**FREDDIE C. FRAZIER, SR.**

**RALPH JOHNSON, SR.**

**DEBORAH R. ALEXANDER**

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